if the payments of benefits and the restorative services represent two separate, independent operations.

This is an area that deserves increasing attention if we are to help more people move from dependency to self-sufficiency.

Finally, I believe it is time for the rehabilitation community to direct more of its thinking to the family. If we are to improve the *conditions* in which a handicapped person lives, we should be addressing ourselves to his entire family unit, and even to environmental circumstances that extend beyond the family. Those of you who have been working with juvenile delinquents know how important those circumstances can be.

The home environment represents stability and inspiration for some, a place of conflict and frustration for others, and for some, of course, home or family life are nonexistent.

Much of the current effort in rehabilitation is focused on the individual and his disability. If our approach is family centered, and if it takes into account the environment in which rehabilitation must occur, we may be more successful in rehabilitating the handicapped person himself; we may help transform disorganized and distraught families into units of strength and purpose; and we may succeed in building the foundation for a stronger and sounder social order.

I have no illusions about the difficulty of this task. It amounts to asking the rehabilitation workers of this country to extend the concept of rehabilitation, so that it embraces millions of people instead of thousands; to relate itself to some of our massive social problems; and within this larger framework, to maintain the kind of excellence which has marked the emergence of modern rehabilitation programs for the handicapped.

I don't suppose there are many people who have had more varied first-hand contact with all of the so-called helping professions than I have. And I can tell you that of all those fields, none rivals your own in ardent commitment to the possibility of human betterment. You have a never-say-die spirit in these matters that should stand as an example for everyone.

I could point out fields of social effort in which many practitioners are rather easily discouraged about the possibility of human betterment. And of course such people retreat quite readily to goals that are no higher than custodial care or maintenance. In contrast you honor the human spirit by believing that it is equal to truly formidable tasks. And your faith helps it to accomplish those tasks.

This seems to me to exemplify the very best and deepest belief we hold as Americans: the conviction that every person is of value.

I cannot close without a tribute to the distinguished Administrator of the new Social and Rehabilitation Service, Mary Switzer. Mary is inclined to attribute her success to her long bureaucratic experience, and that is certainly an ingredient. She is a pro, if ever there was one. But there are plenty of old pros who use their skill and experience to block progress rather than advance it, so you have to look further to explain Mary's effectiveness.

I have often said that when a top executive is selecting his key associates, there are only two qualities for which he should be willing to pay almost any price—taste and judgment. Almost everything else can be bought by the yard. Mary has both those qualities in high degree.

But even more important, she has the qualities that bring the world alive—zest, enthusiasm, and spirit.

She has taken on an immensely difficult assignment. She has the largest operational responsibility of any woman in government. If you will give her your support and help she will make history for all of us.

HOUSE OF REPRESENTATIVES

THURSDAY, OCTOBER 12, 1967

The House met at 12 o'clock noon.

Rev. D. Kirkland West, First Presbyterian Church, Medford, Oreg., offered the following prayer:

Heavenly Father, we invoke Thy blessing on America, especially upon those who lead, that, ruled by Thy spirit, they may have the moral courage and wisdom to stand for the right and resist that which is wrong. May our liberties, bought with blood and sacrifice by our fathers, not be eroded by the selfish...ess or neglect of us their sons. May this land, discovered and settled by men of stamina and conviction, be so advanced in its spiritual and political heritage that the words, "This Nation, under God, with liberty and justice for all" may not mock our high idealism by our shallow performance.

With gratitude for help in the past and dedication to the tasks of the future we implore Thy help and guidance. In Jesus name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 10345. An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1968, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 10345) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal ending June 30, 1968, and for other purposes," request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCLELLAN, Mr. ELLENDER, Mr. HOLLAND, Mr. PASTORE, Mr. McGEE, Mr. FULBRIGHT, Mrs. SMITH, Mr. HRUSKA, and Mr. COTTON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1084. An act to amend section 3620 of the Revised Statutes with respect to payroll deductions for Federal employees; and

S. 1085. An act to amend the Federal Credit Union Act to modernize the loan and dividend provisions.

DEPARTMENT OF TRANSPORTATION APPROPRIATIONS, 1968—CONFERENCE REPORT

Mr. BOLAND submitted a conference report and statement on the bill (H.R. 11456) making appropriations for the Department of Transportation for the fiscal year ending June 30, 1968, and for other purposes.

TRIBUTE TO REV. D. KIRKLAND WEST

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. DELLENBACK. Mr. Speaker, I should like to state my deep personal pleasure at having had the invocation this morning delivered by Dr. D. Kirkland West, of Medford, Oreg., my hometown.

Dr. West was the minister for some 17 years in the Presbyterian church in which my family and I worshiped for some 10 years. He has been throughout this time a powerful influence in our city and in all of southwestern Oregon for good in the finest and deepest sense of the word.

A man of God in his daily action as well as in word, it has been and is a great pleasure for me to call Kirk West my friend. I am grateful for the opportunity to have had him in the House today, calling all of us to turn to our eternal Lord for sustenance, guidance and strength to make our own actions match our thoughts and our words.

JOINT EFFORT OF PRIVATE INDUSTRY AND GOVERNMENT IN JOB-TRAINING PROGRAMS

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE of Illinois. Mr. Speaker, the St. Louis Globe-Democrat, a newspaper known for its conservative scrutiny of Federal initiatives, has added its editorial voice to those of responsible commentators across the country in commending President Johnson for his recently announced $40 million plan to get private industry involved in job-training programs in urban slums.

As the President has said, this plan will benefit:

The forgotten and the neglected—those citizens handicapped by poor health, hampered by years of discrimination and bypassed by conventional training programs.

Mr. Speaker, I know all of us wish this new endeavor much success. With the President fully committed to it, and with the application of the marvelous resources of talent and energy possessed by private industry, I think we can look forward to excellent results.

I know my colleagues will be interested to read the Globe-Democrat editorial on this fine new program. It follows:

NEW POVERTY WAR BARRAGE

It isn't the answer to the poor man's prayers, but President Johnson's proposal for a joint effort of private industry and the federal government in finding jobs for and training of thousands of hard-core unemployed seems better than his past barrages in the war on poverty.

Calling on private industry to bring its resources to bear on "a critical national problem," the President has suggested a nationwide effort, backed by $40 million in federal funds, to help train "the forgotten and the neglected—those citizens handicapped by poor health, hampered by years of discrimination and bypassed by conventional training programs."

In many respects this is a creditable idea. Those, who are willing to work but lack certain basic skills and therefore find it more difficult to get a job, should be helped to the fullest extent possible. And the logical ones to train them are the men in private industry who know what they're doing, not textbook theorists who have never practiced what they preach.

As to financing the program, the estimated $40 million expenditure could easily be diverted from some of the vast anti-poverty programs already in existence. It might even supplant some of those multi-billion dollar social experiments if it proved a superior performer in value received.

The potential dangers to the proposal seem to lie in its implementation. If attempted on too high an idealistic plane it is likely to fail. Needed is a practical approach which recognizes that some of the hard-core unemployed are that way by choice, finding it more to their liking to live on public welfare, and that some "bypassed by conventional training programs" have gone out of their way to avoid them.

THE PRESIDENT'S SURCHARGE PROPOSAL IS GOOD ECONOMICS

Mr. PICKLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PICKLE. Mr. Speaker, President Johnson's proposed surcharge tax proposal is beginning to get the full and open debate in the Congress which such a serious economic policy merits.

And before charge and countercharge obscure forever the true nature of the President's tax proposal, I would like to call attention to what it is, and what it is not, as I see it.

First and foremost, the 10-percent surcharge is not a tax on total income, but a tax on income liability, and thus much less severe. It is really a 1 percent tax.

Second, it would cost nothing to those 16 million Americans with incomes of $5,000 a year or less.

Third, it would cost most Americans only a few dollars a month.

Fourth, it is temporary and can and will be removed when no longer needed. This may be wishful thinking, but we have seen tax reduction during this administration.

Fifth, it will help stem inflation, halt rising prices, prevent a tight-money market, and avoid new hardships on those living on fixed incomes.

Each day we do not enact this measure, the Federal Government loses millions of dollars, the national deficit becomes larger, the fear psychology of runaway inflation gains momentum, and some 80 months of sustained prosperity are threatened.

The President is saying it. Objective economists bankers and businessmen are saying it. More Members of the Congress are saying it. If a tax is not enacted this session, the consequences of such inaction will be much more injurious to the Nation than this very small tax increase.

The need for the tax will not go away. It will not be chased away by incantations of "cut the budget." It must and will be faced, and it is going to be a test of congressional responsibility. We do need to cut the budget and reduce spending and appropriations. But we also need this surtax. We need both, Mr. Speaker.

Speaking for no one but myself, I say that I intend to vote for the President's surcharge tax proposal because I believe it is sound and proper, and because modern government must have the power to restrain the economy as well as pump prime it. It is not an easy or pleasant thing to recommend any kind of tax—but the alternative is more unpleasant to ponder.

CONSIDERATION OF CONTINUING APPROPRIATIONS RESOLUTION

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order on Wednesday next, October 18, to bring to the House the continuing resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GERALD R. FORD. Mr. Speaker, I object.

STATUS OF THE APPROPRIATIONS BILLS

Mr. MAHON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, I think it would be well to say a few things about appropriations and spending. There is a great deal of interest in this subject—and properly so.

Five of the 15 regular appropriation bills have been enacted and cleared to the President. They are Interior, Treasury-Post Office, Defense, legislative, and Agriculture. The agriculture bill has not yet been signed by the President.

The gentleman from Massachusetts [Mr. BOLAND] just filed a conference report on the Transportation Agency a few minutes ago. We agreed on it in conference yesterday.

We met in conference this morning on the public works appropriation bill. There is every hope that we will be able to bring the conference report in next week.

Earlier this week we were in conference on the Independent Offices-HUD bill, and on the space program, NASA bill. We made considerable progress. I would say, and it looks like we should be able to conclude those next week.

Mr. Speaker, the appropriation bill for the Departments of State, Justice, Commerce, and the judiciary has now passed the other body; we are ready for conference on that bill.

As you know, the appropriation bill for the Departments of Labor, Health, Education, and Welfare was recommitted several days ago. We hope to confer on that next week.

It is noteworthy that all of the appropriation bills which have passed the House have also passed the other body, with the exception of the District of Columbia appropriation bill.

This would leave for our consideration, when authorizations therefor are provided, the military construction bill, the foreign assistance bill, and the final supplemental bill which will probably carry funds for the poverty program as well as certain other programs. They have yet to be reported to the House.

I would like to report to the House, if Members wish to recite something of what they are doing to try to achieve economy, that they can tell constituency that this House will, in my opinion, vote to reduce appropriation requests below the President's budget for fiscal 1968 by something close to $6 billion, instead of the $5 billion figure mentioned on several previous occasions. We are moving toward such a $6 billion figure.

We have been holding meetings in conference, and as a result thereof it has been very difficult for the committee to do anything about recisions, postponements, and deferrals when we are constantly in session on these other matters. Yet we have put in some "Saturday" time on this problem and we shall do our best along this line. However, our major contribution toward economy will be in the appropriation bills.

So, Mr. Speaker, we are going to try to recommend some further steps next week toward greater economy. While, as I say, the greatest economies which we shall be able to make will be in connection with the several appropriation bills which we have either already considered or will in a short time be considering, we will nevertheless have further economy proposals to submit to you next week.

Mr. Speaker, I ask unanimous consent to place in the RECORD summary tabulations showing more precise information on the appropriation totals.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The tabulations follow:

COMPARATIVE SUMMARY OF APPROPRIATION BILL TOTALS, 90TH CONG., 1ST SESS., AS OF OCT. 12, 1967

Does not include any "back-door" type appropriations, or permanent appropriations [1] under previous legislation. Does include indefinite appropriations carried in annual appropriation bills. All figures are rounded amounts.]

	Bills for fiscal 1967	Bills for fiscal 1968	Bills for the session
A. House actions:			
1. Budget requests for appropriations considered	$14,411,000,000	[2] [3] $124,163,000,000	$138,574,000,000
2. Amounts in 14 bills passed by House	14,238,000,000	[2] [3] 120,347,000,000	134,585,000,000
3. Change from corresponding budget requests	−173,000,000	−3,816,000,000	−3,989,000,000
B. Senate actions:			
1. Budget requests for appropriations considered	14,533,000,000	[2] [3] 124,234,000,000	138,767,000,000
2. Amounts in 13 bills passed by Senate	14,457,000,000	[2] [3] 123,374,000,000	137,831,000,000
3. Change from corresponding budget requests	−76,000,000	−860,000,000	−936,000,000
4. Compared with House amounts in these 13 bills	+219,000,000	+3,134,000,000	+3,353,000,000
C. Final actions:			
1. Budget requests for appropriations considered	14,533,000,000	[3] 85,955,000,000	100,488,000,000
2. Amounts approved in 7 bills enacted	14,394,000,000	[3] 84,094,000,000	98,488,000,000
3. Comparison with corresponding budget requests	−139,000,000	−1,861,000,000	−2,000,000,000

[1] Permanent appropriations were tentatively estimated in January budget at about $15,212,066,000 for fiscal year 1968.

[2] Includes advance funding for fiscal 1969 for urban renewal and mass transit grants (budget, $980,000,000; House bill, $925,000,000; Senate bill, $955,000,000) and for grants-in-aid for airports (budget, $75,000,000; House bill, $65,000,000; Senate bill, $75,000,000).

[3] And participation sales authorizations as follows: Total authorizations requested in budget, $4,300,000,000; total in House bills, $1,946,000,000; total in Senate bills, $4,085,000,000; total enacted, $750,000,000.

SUMMARY OF ACTION ON BUDGET ESTIMATES OF APPROPRIATIONS IN APPROPRIATION BILLS, 90TH CONG., 1ST SESS., AS OF OCT. 12, 1967

[Does not include any "back door" type appropriations, or permanent appropriations [1] under previous legislation. Does include indefinite appropriations carried in annual appropriation bills]

	Budget estimates considered by House	Passed House	Budget estimates considered by Senate	Passed Senate	Enacted	(+) or (−), latest action compared to budget
Bills for fiscal 1968:						
Treasury-Post Office	$7,613,787,000	$7,499,230,000	$7,615,148,000	$7,555,167,000	$7,545,641,000	−$69,507,000
District of Columbia:						
Federal payments	63,499,000	59,499,000	----------	----------	----------	−4,000,000
Federal loan appropriation	49,600,000	48,100,000	----------	----------	----------	−1,500,000
Interior	1,443,793,000	1,365,310,150	1,458,218,000	1,399,359,550	1,382,848,350	−75,369,650
Loan and contract authorizations	(30,700,000)	(16,200,000)	(30,700,000)	(16,200,000)	(16,200,000)	(−14,500,000)
Independent Offices-HUD	[2] [3] 10,804,642,700	[2] [3] 10,013,178,782	[2] [3] 10,820,513,700	[2] [3] 10,514,830,900	----------	−305,682,800
Contract authorization	(40,000,000)	----------	(40,000,000)	(40,000,000)	----------	----------
Labor-HEW	[3] 13,322,603,000	[3] 13,137,488,000	[3] 13,424,146,000	13,421,660,000	----------	−2,486,000
State, Justice, Commerce, and Judiciary	[3] 2,342,942,000	[3] 2,194,026,500	[3] 2,347,803,195	[3] 2,186,105,500	----------	−161,697,695
Legislative	231,311,132	228,089,952	276,005,210	275,885,804	275,699,035	−306,175
Agriculture	[3] 5,021,097,400	[3] 4,770,580,950	[3] 5,021,097,400	[3] 6,782,529,789	[3] 4,952,945,700	−68,151,700
Loan authorization	(859,600,000)	(859,600,000)	(859,600,000)	(909,000,000)	(859,600,000)	----------
Defense	71,584,000,000	70,295,200,000	71,584,000,000	70,132,320,000	69,936,620,000	−1,647,380,000
Transportation	[4] 1,718,618,772	[4] 1,530,198,372	[4] 1,718,618,772	[4] 1,651,407,272	----------	−67,211,500
Public works	4,867,813,000	4,622,922,000	4,867,813,000	4,776,064,000	----------	−91,749,000
NASA	5,100,000,000	4,583,400,000	5,100,000,000	4,678,900,000	----------	−421,100,000
Military construction	[5] (2,937,000,000)	----------	----------	----------	----------	----------
Foreign assistance	[5] (3,818,736,000)	----------	----------	----------	----------	----------
Supplemental (poverty, other deferred items; usual supplementals)	[5] (2,284,949,000)	----------	----------	----------	----------	----------
Subtotal, 1968 bills	124,163,707,004	120,347,223,706	124,233,363,277	123,374,229,815	84,093,754,085	−2,916,141,520
Bills for fiscal 1967:						
Defense supplemental (Vietnam)	12,275,870,000	12,196,520,000	12,275,870,000	12,196,520,000	12,196,520,000	−79,350,000
2d supplemental	2,134,932,833	2,041,826,133	2,257,604,652	2,260,246,933	2,197,931,417	−59,673,235
Subtotal, 1967 bills	14,410,802,833	14,238,346,133	14,533,474,652	14,456,766,933	14,394,451,417	−139,023,235
Cumulative appropriation totals for the session:						
House (14 bills)	138,574,509,837	134,585,569,839	----------	----------	----------	−3,988,939,998
Senate (13 bills)	----------	----------	138,766,837,929	137,830,996,748	----------	−935,841,181
Enacted (7 bills)	----------	----------	100,487,943,262	----------	98,488,205,502	−1,999,737,760

[1] Permanent appropriations were tentatively estimated in January budget at about $15,212,066,000 for fiscal year 1968. (All forms of permanent new obligational authority for 1968 were tentatively estimated in the January budget at $17,452,899,000.)

[2] Includes advance funding for fiscal 1969 for urban renewal and mass transit grants (budget, $980,000,000; House bill, $925,000,000; Senate bill, $955,000,000).

[3] And participation sales authorizations as follows: Independent Offices—HUD, $3,235,000,000 in budget estimates, $881,000,000 in House bill and $3,235,000,000 in Senate bill; Labor—HEW, $115,000,000 in budget estimates and House bill; State, Justice, Commerce, and Judiciary, $150,000,000 in budget estimates, House bill and Senate bill; Agriculture, $800,000,000 in budget estimates and House bill, $700,000,000 in Senate bill; $750,000,000 enacted. Total authorizations requested in budget, $4,300,000,000: total in House bills, $1,946,000,000; total in Senate bills, $4,085,000,000; total enacted, $750,000,000.

[4] Includes advance funding for fiscal 1969 for grants-in-aid for airports (budget $75,000,000; House bill, $65,000,000; Senate bill, $75,000,000).

[5] These are the amounts presently pending consideration in the committee.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the distinguished gentleman from Michigan.

Mr. GERALD R. FORD. Mr. Speaker, I wish to commend the gentleman from Texas, the chairman of the Committee on Appropriations, and the members of the Committee on Appropriations, for moving in the last 10 days or so with much greater speed in trying to achieve final results on these various appropriation bills. I applaud this action.

Mr. MAHON. Let me say to the gentleman that we had moved much earlier in the session, along in the March–June period. Our schedule was to bring all the bills to the House before the end of the fiscal year on June 30 last. The reason we have been able to move more rapidly in the last couple of weeks is due to the fact that the other body has been passing these bills. There has been no change in our pace except that change which has been made possible by the actions of the other body.

Mr. GERALD R. FORD. Mr. Speaker, if the gentleman from Texas will yield further, I am cognizant of the fact that the other body has been somewhat slow in the consideration of the various appropriation bills. However, now that they have acted more rapidly, I reaffirm what I said a minute ago—that the various conferences between the House and the other body's conferees have been held I would say much more quickly than might have been otherwise if there had not been the pressure from the House to get some affirmative action on appropriation bills.

Also, I think that the House of Representatives has done a good job in reducing the obligational authority provided for in these various bills below the President's budget. I, certainly, wholeheartedly agree with the reductions estimated to approximate $6 billion which have been mentioned by the distinguished

chairman of the Committee on Appropriations.

I hope that before this session adjourns that we may even go beyond the figure, $6 billion, cited by the gentleman from Texas. The gentleman knows as well as I that a reduction of $6 billion in obligational authority in appropriation bills does not automatically mean that there will be a comparable reduction in anticipated expenditures during the current fiscal year.

Mr. MAHON. But if the gentleman will permit, it does mean there will be a reduction of that amount in expenditures in time, this year, or in succeeding years. A dollar not appropriated is a dollar that cannot be expended.

I would like to point out to the House that, while we are pointing to the magnitude of the reductions in the appropriation requests, that this can—partially, or even wholly—be offset by legislation otherwise that increases rather than decreases demands on the Treasury. We are going to have to subtract from the savings in appropriations the amount that was approved yesterday in the House for additional pay for various Government workers beyond the administration recommendations. That applied not only to the current fiscal 1968, but reached on into future years, and will total, of course, many billions of dollars over time.

Mr. GERALD R. FORD. Will the gentleman from Texas yield further?

Mr. MAHON. I yield further to the gentleman from Michigan.

Mr. GERALD R. FORD. The statement just made by the gentleman from Texas is absolutely accurate and, as the gentleman knows, I as well as he voted to hold the lid on expenditures as the gentleman indicated would be reflected in the pay bill that was approved by the House.

It seems to me that the action taken by the House in the last several weeks, particularly, is having a salutary impact on the various conferences which are being held on the various appropriation bills.

So, Mr. Speaker, I hope that the distinguished chairman, when he meets in conferences that are coming up on appropriation bills, will simply let our colleagues on the other side of the Capitol know that a majority of the Members of the House not only mean business on obligational authority, but also on spending.

Mr. MAHON. I would say to the gentleman that we are not wholly inexperienced in dealing with the other body, and letting the other body know our views. But the comments of the gentleman from Michigan are appreciated.

Of course I would add, Mr. Speaker, so that we may keep the matter of economy and reductions in perspective, that of the approximately $6 billion that we hope to cut from the appropriation requests, $3.816 billion was cut by the House in the several bills not in the last several weeks but in the last several months. Those cuts were made weeks and months before we had the recent economy outbreak. The members of the Appropriations Committee have been in the economy business for many months. And the remainder of the approximate $6 billion or so likely total cut would come—as we have expected right along and as I have indicated a number of times on the floor—from the remaining approximately $9 billion of appropriation requests still pending in the Committee on Appropriations awaiting the legislative authorization bills.

But to repeat, the $3.816 billion reduction thus far made by the House was made long ago. For example:

The Treasury-Post Office appropriation bill passed the House on March 22. It was $114,557,000 below the budget estimates.

The District of Columbia appropriation bill, which passed the House on April 18, was $5,500,000 below the budget estimates.

The Interior and related agencies appropriation bill passed the House on April 27; it was $78,482,850 below the budget estimates for new appropriations and $14,500,000 below the budget estimates for loan and contract authorizations.

The independent offices and Housing and Urban Development appropriation bill passed by the House on May 17, and was $791,463,918 below the budget estimates for new appropriations and $40,000,000 below the budget for contract authorization.

The Labor, Health, Education, and Welfare appropriation bill passed the House on May 25. It was $185,115,000 below the budget requests for appropriations.

The State, Justice, Commerce, and judiciary appropriation bill passed the House on May 31. It was $148,915,500 below the budget requests for appropriations.

The legislative branch appropriation bill passed the House on June 1. It was $3,221,180 below the budget requests for appropriations.

The Agriculture appropriation bill passed the House on June 6, and was $250,516,450 below the budget requests for appropriations.

The Defense appropriation bill passed the House on June 13. It was $1,288,800,000 below the budget requests for appropriations.

The Transportation appropriation bill passed the House on July 18, being $188,420,400 below the budget requests for appropriations.

The public works appropriation bill passed the House on July 25. It was $244,891,000 below the budget estimates for appropriations.

The NASA appropriation bill passed the House on August 22, and was $516,600,000 below the budget requests for appropriations.

These reductions add to $3,816,483,298 in new appropriations and $54,500,000 in loan and contract authorizations.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Mississippi, the distinguished chairman of the Rules Committee.

Mr. COLMER. Mr. Speaker, I would ask the distinguished chairman this question:

May some of us draw a conclusion, hopefully from this colloquy, that now that these money bills are being expedited, and with a tax bill apparently being dead, that maybe somewhere before the snow flies early in November we might look for a final adjournment of this Congress?

I wonder if the gentleman would care to express an opinion about that?

Mr. MAHON. I would yield to the majority leader if he wishes to make a comment on that. I do not feel authorized to talk about the tax bill or about adjournment at this time. But I have understood that probably the poverty authorization bill may be many weeks away. I do not know. And there has been no agreement on the authorization bill for foreign aid. So we are not out of the woods yet, but we are seeing a little light through the clearing, I would say.

Mr. COLMER. If I may comment just briefly on that: It might be a good idea to permit this poverty program and some more of these spending programs to remain out in the woods for some distance in order that we might get our fiscal affairs in better shape.

I am just hoping—as I am sure many Members of this Congress are—that we can see the end somewhere in sight to this rather long and apparently unnecessary lengthening of the session of Congress.

I thank the gentleman.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman.

Mr. LAIRD. I would just like to say in response to the gentleman from Mississippi that if we continue funding the poverty program on the basis of a continuing resolution, as we are now funding it, we are expending at a higher rate than we will expend under a regular appropriation for the poverty program.

The Committee on Appropriations has not even started its hearings on the poverty program for the fiscal year 1968. The continuing resolution under which the OEO is operating today is funding that program at a much higher level than, I am sure, will be approved by the House of Representatives when the appropriation bill comes up for the Office of Economic Opportunity.

So it is to our advantage to get this thing out on the floor to start our appropriation hearings as soon as that authorization is through, perhaps in 3 weeks, and start our hearings on the appropriation for the OEO so that we can get away from this operation under a continuing basis, which gives the OEO much more money than it would have under the regular appropriation bill.

Mr. MAHON. Mr. Speaker, the appropriation last year for the poverty program, which is the applicable rate under the continuing resolution, was about $1.6 billion. The budget estimate is $2,060,000,000. So while I do not dispute what the gentleman from Wisconsin says, I would like to say that I do not see how the current spending rate could be higher than the rate of last year.

Mr. LAIRD. I would just like to say to the gentleman from Texas that the feeling of this House right now, as far as the

poverty program and the operations of the OEO, as it has been demonstrated by two separate votes, I can assure the gentleman from Texas that with his cooperation we can reduce that spending level by at least $400 million.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman.

Mr. CRAMER. Can the distinguished chairman indicate what the spending level will be for highway beautification under the continuing resolution which has not been yet authorized for the fiscal year 1968?

Mr. MAHON. That has not come before us yet. Unobligated balances remain from appropriations made in previous years. There is an authorization bill pending, as I understand, but it has not been before the Appropriations Committee.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman.

Mr. GROSS. The gentleman from Mississippi [Mr. COLMER] expressed his concern, as others have previously expressed their concern, about the prolongation of this session of the Congress. I would only say to the gentleman that a friend tantalized me yesterday with a newspaper picture of some beautiful strings of bass that are being caught in Mississippi. I would like to see this session end promptly so that the gentleman from Iowa could join the gentleman from Mississippi in going after a few of those bass. I would appreciate it if the gentleman from Texas could help us to get together on this.

Mr. MAHON. We will cooperate as much as possible.

PERMISSION TO COMMITTEE ON EDUCATION AND LABOR TO SIT THIS AFTERNOON TO CONSIDER H.R. 8311

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may be permitted to sit this afternoon to consider the Economic Opportunity Act amendments, *H.R. 8311*.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DETECTIONS OF VIOLATIONS UNDER THE FOOD STAMP PROGRAM

Mr. O'NEAL of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. O'NEAL of Georgia. Mr. Speaker, a news item from Atlanta on October 8, 1967, reports that the Consumer and Marketing Service of the U.S. Department of Agriculture has disqualified two Georgia merchants for 90 days from taking part in the food stamp program because of violations.

The complaint charged that the stores sold ineligible items and gave cash as change in food stamp transactions.

The Consumer and Marketing Service is to be congratulated for its diligence in detecting violations and for taking disciplinary action to slow down these abuses. I realize how difficult it is to police this program and am happy to congratulate those who accomplish anything in this field.

COLUMBUS DAY A LEGAL NATIONAL HOLIDAY

Mr. POLANCO-ABREU. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

Mr. POLANCO-ABREU. Mr. Speaker, I rise in support of the legislation now pending before this Congress, which would proclaim Columbus Day a legal national holiday in the United States. It so happens that precisely today, October 12, is Columbus Day and a legal holiday in 35 States of the Union and the Commonwealth of Puerto Rico. Columbus and his brave men are also remembered on this anniversary in Spain and our sister republics of Latin America.

It was exactly 475 years ago that this man of vision, accused of being a dreamer and a charlatan, set sail from the port of Palos to accomplish one of the great feats of history. I believe it is proper that his deed should be commemorated by this Nation, not only to honor the memory of the man, himself, but to recognize that the New World got its civilized start through him. Finally, we should honor the millions of citizens of Spanish and Italian descent in this country, who have contributed richly to the greatness of the United States.

I can think of no better means of recognition than through the bills proposed by our distinguished colleagues, the gentleman from New Jersey [Mr. RODINO] and the gentleman from New York [Mr. STRATTON]. These are the identical House bills number H.R. 2372 and H.R. 1300.

I have given you—

Columbus told Ferdinand and Isabella of Spain—

a land of innumerable riches, inhabited by people who can be converted to our Christian faith. This will be the land of tomorrow.

Time has proved his prediction.

In honoring Columbus on this anniversary, we should also join together in recognizing the common destiny of all the nations of the Americas, which destiny was born of the faith and bravery and skill of this man of history.

THE PROGRAM OF THE FEDERAL CROP INSURANCE CORPORATION

Mr. EVANS of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. EVANS of Colorado. Mr. Speaker, one of the agencies of the U.S. Department of Agriculture issued a very interesting report earlier this year which, I feel, justifies comment and some measure of commendation. The agency is the Federal Crop Insurance Corporation, founded 29 years ago by the Congress to give farmers self-help protection of their production costs with insurance against bad weather, plant disease and insects. For most crops, it is all-risk protection. The report referred to is the 1966 annual report to Congress by the Federal Crop Insurance Corporation.

A major point which the report makes is that the American Farmer's out-of-pocket "dollar cost" of farming is skyrocketing and making it riskier each succeeding year to farm in the face of possible weather disaster.

The report further states that farmers today pay large amounts of money for fertilizers, lime, herbicides, hybrid seeds, expensive but necessary machinery, fuel, labor, higher land prices, and higher taxes—most of which were less of a major cost factor 25 years ago.

The old days of oats for the horses and manure for the oats are no more.

The report summarizes. A chart accompanying the article shows that in 1940, two-thirds of the supplies and materials a farmer needed to grow a crop were "non-purchased"—that is, farm produced. Today, in contrast, a farmer has to lay out cold cash for more than half the things he uses in planting and growing a crop.

According to the report:

The growing financial risk in farming is bringing the job of the FCIC to the center of the stage.

It also sets forth a tabulation showing that between 1940 and 1966 FCIC expanded from $67 million to $640 million in total protection. I am informed that protection for 1967 is estimated at more than $750 million. The number of eligible counties and the number of acres insured have approximately quadrupled since 1940.

I am proud that Congress had the foresight 29 years ago to provide farmers this kind of voluntary insurance when it was not available anywhere else. Greater investments in farming have made FCIC increasingly important to our farming population—and to the towns and cities whose economies rise and fall with the ups and downs of the farmers.

The latest report by the Federal Crop Insurance Corporation indicates it is doing a commendable job of expanding, revising and modernizing its program proportionate to the farmers' growing need for the vital protection it supplies.

REPUBLICAN MOTIVES IN 90TH CONGRESS QUESTIONED

Mr. UDALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, the Republican Members of this House seem determined to write a sorry record for this session. Their action of yesterday, denying a pay increase to Federal civil servants engaged in the antipoverty effort, is a shocking and even imprudent act of irresponsibility.

The United States of America has probably the finest civil service in the world. The men and women who serve this country are, with few exceptions, a competent and dedicated and insufficiently appreciated work force. And I want the people of this country to know that the employees at the Office of Economic Opportunity are just as competent and just as dedicated as any other group of people in the Federal service.

In fact, I would venture to say that there is no Federal agency in which people work harder days and nights and weekends than they do at OEO.

The real issue over this discriminatory denial of a pay increase to the OEO employees is not, as the Republican Members suggested yesterday, totally false assertion that war on poverty employees are overpaid.

Rather, this action is a prime example of the Republican need for a whipping boy, a scapegoat. Their foolish and capricious action is a play to the peanut gallery of misinformed public opinion. The only truthful words spoken by the sponsors of that amendment were to the effect that a slap at Sargent Shriver and his agency would be "popular" with some voters back home.

Mr. Speaker, I begin to wonder about the mission the Republicans have set for themselves in this session. First they work to prevent Federal aid to eliminate rats. They thought rats were funny. Now they slash at civil servants whose only transgression is that they work to help the poor out of poverty. And they do that because it is "popular."

The American people must be unhappy with this kind of conduct, and well they should be.

OPPOSITION BY RUSSIA TO PASSAGE OF ICEBREAKERS IN ARCTIC WATERS

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, I have contacted the White House and the Secretary of State to urge that a review be made of the U.S. policy of allowing innocent passage to foreign vessels in the U.S. territorial waters, especially as it concerns Russia. As all of you know, I am sure, Russia denied innocent passage through the Vilkitski Straits to two U.S. Coast Guard ships that were on an innocent scientific mission.

Rather than pursue their mission of circumnavigating the Arctic Ocean, the two ships were ordered to return.

In checking into this matter, I am advised that since September 1965 there have been 262 Soviet ships sighted in passage within 12 miles of the Atlantic coast of Florida, for instance, and 25 observed in innocent passage in U.S. territorial waters.

During the past 2 years it has been reported that more than 50 Soviet vessels have passed through the territorial waters of the United States.

It seems logical to me that if Russia refused innocent passage to our vessels, we should refuse innocent passage to her vessels, and I am asking that our policy be reviewed immediately so that no Russian vessel will be allowed innocent passage in U.S. territorial waters until Russia changes its policy and allows U.S. ships innocent passage in its territorial waters according to recognized international law.

PROTECTION OF ANIMALS USED IN RESEARCH

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, since I and 20 of my colleagues introduced H.R. 13168 on September 26, I have received numerous calls and letters requesting information on the bill from concerned people all over the country who wish their Representative to join with the original sponsors in supporting the bill.

Many calls have also come in from the offices of interested colleagues on the Hill. I would like to take this opportunity to briefly explain the bill.

First, I would like to say that the intent of the bill is to give protection to animals used in research which do not have benefit from existing legislation. We went far last year in passing Public Law 89–544, which does regulate dealers, the transport of animals, and prohibits petnapping. These provisions of Public Law 89–544 are not changed or affected.

But in passing 89–544, we still left a large area void of protection—that is the area of the laboratory. The Secretary of Agriculture was given only very limited powers to establish standards and regulations in 89–544. Before I go farther, I would like to quote from that law the point which limits the protection in the laboratory under 89–544:

SEC. 18. Nothing in this Act shall be construed as authorizing the Secretary to promulgate rules, regulations or orders for the handling, care, treatment, or inspection of animals during actual research or experimentation, by a research facility as determined by such research facility.

This, of course, means that if the research facility deems the animal is in the research or experimental process when he enters the laboratory, 89–544 does not cover him.

Under the provisions of H.R. 13168, those animals once in the laboratory would receive the benefit of humane care as the result of a set of regulations and standards. I believe that the area of the laboratory should be the focal point of concern for humanitarians. The animals used in the laboratories deserve the safeguards of humane treatment which they are not presently afforded under Public Law 89–544.

I would also like to point out that all warmblooded animals would receive those guarantees under H.R. 13168, whereas Public Law 89–544 deals only with six species.

The standards and regulations established in H.R. 13168 are to be promulgated by the Secretary of Health, Education, and Welfare, taking into consideration any which were promulgated by the Secretary of Agriculture.

Inspections are called for in H.R. 13168, to make sure that each laboratory is in compliance with the rules and regulations. Accreditation of a laboratory or research facility will be based on these inspections. Inspections will be conducted by the Secretary or his agents, based on the standards set by the Secretary.

To maintain constant compliance with these rules and regulations, a committee within each laboratory is to be established and at least one member of the committee must be a veterinarian. Having a veterinarian on each laboratory committee is an added assurance for those concerned with humane treatment of animals.

I would like to stress at this time that the committee is not responsible for the accreditation or inspection. The Secretary is the sole authority here. The committee only sees to it that between inspections the laboratory is in compliance and make sure that all persons using or caring for animals are qualified to do so. None of these tasks are to the exclusion of inspection by the Secretary.

For a research facility to be accredited and maintain that accreditation, it must pass inspection at any time—not just once.

One of the provisions spelled out in the bill requires the laboratories to use anesthesia or pain-killing drugs in all cases. The only exceptions would be where it would defeat the purpose of the experiment. There presently is no provision for easing the pain of animals used in laboratories for research. And this is an important point. Public Law 89–544 is greatly deficient here and this is a major concern of humanitarians.

Many operations are now performed which would not be affected if the animal was given the benefit of a pain-killing drug. I think these animals should be granted this benefit.

The general purpose of the bill is to grant humane treatment to animals used in research without interfering or impeding research. That purpose will be accomplished in H.R. 13168.

At this time I would like to include a more detailed question and answer sheet for the information of my colleagues as well as an analysis of the legislation:

ANSWERS TO QUESTIONS MOST FREQUENTLY ASKED ABOUT THE ROGERS-JAVITS BILL

Q. What effect would this legislation have on P.L. 89–544 (The Dealer's Bill passed in 1966?)

A. None immediately. P.L. 89–544 will remain in full force *for two years* after the new bill is passed in order to insure continuous protection for animals. After that, the work of the Department of Agriculture

in enforcing standards within dealers' premises, regulating the procurement of animals, and searching for lost animals both outside *and inside* laboratories will continue as it is being done at present. But at that time, the care of animals within laboratories will be stricken out of 89–544 and transferred to the extended program.

Q. What effect will the introduction of the new bill have on the current appropriations for P.L. 89–544?

A. This bill should make no difference whatever on appropriations for P.L. 89–544 for at least two or three years. After the care of animals in laboratories ceases to come under that law, the appropriations may be adjusted to whatever is necessary to continue the dealer operations.

Q. How will the care of animals be changed when they are taken away from the protection of P.L. 89–544?

A. P.L. 89–544 protects only 6 species of animals in about 1,400 research laboratories out of a possible 10,000, and then only when the animals are not under experimentation. The new program will cover all warm-blooded animals in nearly all laboratories, including commercial plants making drugs, cosmetics, detergents, etc. where some of the most painful work is performed. The standard set up for P.L. 89–544 will serve as a basis for the new standards, with many additions. For example, P.L. 89–544 is strictly limited to regulating only 8 categories of care and housing, whereas the Rogers-Javits Bill will allow the Secretary to make regulations on all matters pertaining to bodily comfort, such as provisions for exercise which are excluded by law from P.L. 89–544. And, of course, there will be many regulations for keeping pain to a minimum in different situations.

Q. If P.L. 89–544 had enough funds and enough time couldn't it do all this?

A. No. More money would only allow for more frequent inspections of the same animals under the same limited circumstances. Coverage for more animals in more laboratories for more purposes can only be done if a new law is passed.

Q. Shouldn't we wait to see how the present law works before branching out into something new?

A. P.L. 89–544 has proved itself to work extremely well in the limited field it covers. What more will a few more years prove while 95% of all laboratory animals get no protection at all?

Q. Why should a laboratory appoint its own committee to implement to the standards and regulations? Isn't this just self-policing?

A. It would be administratively almost impossible for any government agency to appoint committees for 10,000 laboratories. These committees do not take the place of outside inspections, they merely serve between inspections to be responsible for seeing that the laboratory is in compliance with the regulations of the law. They will also see that all persons using or caring for animals are adequately qualified to do so, and to review painful procedures in order to protect the animals from unnecessary pain and suffering.

Q. How can we be sure that these committees perform these duties?

A. The bill provides that at least one member of the committee must be a veterinarian, because a veterinarian can give advice on the proper care of various species of animals. Not only the compliance with regulations, but the judgments which are made by the committee will be periodically reviewed by inspectors who are professionally qualified to evaluate these judgments.

Q. If the "professional body" which is chosen to inspect is the American Association for Accreditation of Laboratory Animal Care, a body which is sponsored by the major bio-medical scientific societies, wouldn't this allow laboratories to be inspected by their own colleagues who would tend to be too lenient?

A. The Secretary may use any accrediting body of his choice to serve only as his agents to make reports on whether a laboratory is complying with regulations and to make recommendations for accreditation. It will have no power to change or ignore these regulations in making its reports and recommendations. If the Secretary suspects that his appointed agents are not making proper judgments, he may send his own employee to review the situation, and any laboratory found not in compliance will face a fine of $500 a day plus loss of the privilege to receive grants or contracts from the government. Nor does any professional body have any power to accredit on its own. Only the Secretary can determine if a laboratory merits accreditation and confer it. Actually P.L. 89–544 has a much more lenient self-policing clause than any in this bill. Under that law any laboratory may totally exempt itself from allowing any inspections at all simply by asserting that all its animals are in some stage of experimentation (as most of them are). The fact that these laboratories have not done so, but rather have complied admirably with the spirit of the law, attests to the high integrity of the scientific community. Why, then, should we fear these same people will have less integrity in an expanded program?

Q. Wouldn't it be better for the Department of Agriculture to administer the expanded program since they have already done such a good job under P.L. 89–544?

A. This is the area on which there is the least agreement. The medical men prefer H.E.W. because an applicant for a grant must fulfill certain requirements for H.E.W. and it would be simpler for the grantee to work through only one agency which would set up all requirements. On the other hand, many humanitarians feel that a check by another department would be extra insurance for the welfare of the animals. The consideration which may have tipped the scales in favor of H.E.W. may be contained in Sections 8 and 9 of the bill. The administrators must do more than just enforce minimum requirements. He must also make studies in, and collect and disseminate information about, improved techniques for reducing pain, for getting better scientific results with fewer animals if possible, to promote the use of less sentient or non-sentient models and many other related subjects. He must also seek more efficient ways for exchanging information about research so as to reduce the duplication or near-duplication of experiments. All of this is somewhat more in the field of H.E.W. than Agriculture. Nevertheless, the program will be so broad that any Department getting the assignment will doubtless have to set up a new "office" with a new staff hired for its competence in these things. Certainly either Department would make a conscientious effort to carry out the intent of Congress in administering this law. The choice of the best Department for this task lies with the Committees who will consider these bills, and who will certainly be glad to receive opinions at the time of the hearings.

Analysis of a Bill To Regulate the Use of Animals in Laboratories

The four-fold purpose of the bill is, through the Public Health Service, (1) to provide special assistance for improving laboratory animal research facilities; (2) to establish standards for the humane care, handling, and treatment of laboratory animals in Federal departments, agencies and instrumentalities and by those receiving Federal grants, awards, and contracts; (3) to encourage study and improvement of care, handling, and treatment methods as well as the development of techniques for minimizing pain and discomfort to those animals used in biomedical activities; and (4) to otherwise assure humane care, handling, and treatment of laboratory animals, and for other purposes.

In effect, this bill transfers the limited responsibilities for control of animal care from the Secretary of Agriculture to the Secretary of Health, Education, and Welfare, and expands these responsibilities.

The Act is to be known as the "Humane Laboratory Animal Treatment Act of 1967."

Declarations of Policy

Section 2 recognizes that good health and high quality are essential features of laboratory animals used for biomedical activities vital to the health and safety of the Nation's people, but establishes a National policy of preventing unnecessary pain and discomfort to the animals used for such purposes.

Definitions

Section 2, (a)–(h) defines the following terms:

(a) "department or agency", "department and agency"
(b) "Secretary"
(c) "laboratory animal research facility"
(d) "laboratory animal"
(e) "biomedical activities"
(f) "person"
(g) "accredited"
(h) "Committee on Animal Care and Utilization"

Grants for Construction of Laboratory Animal Research Facilities

Section 4 amends Title VII, Sec. 706(a) of the PHS Act to provide larger maximum amounts of grants for construction of facilities for research and training in the sciences related to health in those instances where either the facility is to be used primarily or exclusively for laboratory animal research purposes, or if it is a multipurpose facility which includes a laboratory animal research facility. In these instances, the maximum is increased from 50 percent to 66⅔ percent of the cost of construction as determined by the Secretary of Health, Education and Welfare or 66⅔ percent of the cost determined to be proportionate to the contemplated use of the facility as a laboratory animal research facility.

In addition, the Act would establish 25 percent as a maximum portion of the total grants the Public Health Service, each year, can devote to the construction of health research and teaching facilities involving laboratory animal research.

Standards, Regulations, and Accreditation

Section 5 directs the Secretary of Health, Education, and Welfare, to prescribe and publish, in the Federal Register, standards and regulations, including minimum requirements for the care, handling, and treatment of laboratory animals, as well as for the accreditation of laboratory animal research facilities. It also directs the Secretary, in formulating such standards to consult certain Federal departments and agencies, the National Academy of Sciences-National Research Council, and humane and other certain organizations.

Furthermore, the Act assures that such standards and regulations shall conform to certain prescribed requirements, including,

(1) certain accreditation, inspection, and certification of laboratory animal research facilities.

(2) certain reviews and approvals of policies and procedures governing the care, handling, treatment and use of laboratory animals in such facilities in order to assure adherence to PHS standards and regulations, restriction of their use for legitimate scientific or educational activities and to qualified workers, and to assure the protection of the animals against unnecessary pain and suffering.

(3) the use of adequate anesthesia, with certain exceptions, commensurate with ex-

perimental needs and physiological functions under study.

(4) the observations of adequate conditions and care during and after surgery to minimize post-operative discomfort and infections in the animals, with certain exceptions.

(5) assures proper protection of laboratory animals against bodily discomfort, and also proper care, handling, treatment, feeding, watering, and housing.

(6) specifically calls for protection of laboratory animals against unnecessary suffering and pain when mechanical, electrical, or restraining devices are used.

(7) requires the maintenance of records denoted by the Secretary pertaining to (a) the use and disposition of all laboratory animals as well as (b) the proceedings of each Committee on Animal Care and Utilization which reviews the policies and procedures of the facility, as required in subsection (2) of this section.

The Act requires the Secretary of Health, Education, and Welfare to formulate the above standards and regulations within a year from the date the law is enacted. It also directs him to take into proper consideration any standards or regulations already set forth under P.L. 89–544.

COMPLIANCE

Section 6 requires within and after one year, every laboratory animal research facility (1) to comply with the provisions and policies of this Act as well as with the established standards and regulations resulting from it; (2) to permit certain necessary inspections; and (3) to file certain prescribed reports. Under particular circumstances extensions of time may be granted, in which case the Secretary must issue a provisional accreditation to the facility.

Also requires the Secretary Health, Education and Welfare to notify the facility's policy and review Committee on Animal Care and Utilization of noncompliance, specifying the nature of such and the time within which it must be remedied.

Subjects non-federal laboratory animal research facilities to civil penalties up to $500 for each offense of noncompliance and for each day during which such failure continues; and also renders them ineligible to receive or use funds from Federal grants, awards, or contracts, awarded after the date of enactment, until the Secretary determines that they are complying with the law and regulations. At the discretion of the Secretary, the latter penalty may be restricted to the particular grant, awards, or contract to which the noncompliance offense related.

Directs the Secretary of Health, Education, and Welfare to announce cases of continued noncompliances in the Federal Register.

During the period of the biomedical activity and the period of its post-operative care, holds responsible for compliance with the law and regulations any individual conducting or supervising any biomedical activity involving the use of laboratory animals. Individuals guilty of violations are rendered ineligible to use laboratory animals in any laboratory animal research facility or to receive Federal grants, awards, or contracts involving laboratory animals. However, the Act requires the Secretary to prescribe measures by which such eligibilities may be restored to the individuals.

JUDICIAL REVIEW

Section 7 sets forth procedures for judicial review for persons aggrieved by action under this Act via proper courts of appeal within 60 days. In such events, the courts have final jurisdiction, but if the case is not appealed within 60 days, the determinations by the Secretary of Health, Education, and Welfare become final, or if the Secretary's determination has been affirmed or the petition dismissed by the court of appeals. The Secretary's determination also becomes final after ten days from the date of issuance of the mandate of the Supreme Court if that court affirms the determination of the Secretary or directs that the petition for review be dismissed.

FINANCIAL ASSISTANCE

Section 8 directs the Secretary of Health, Education and Welfare to encourage research, promote, and make available funds appropriated by Congress for promoting the efficient and humane care, handling, treatment, and use of laboratory animals through (1) training personnel, (2) developing new and improved techniques, instruments, and methods for animal care, handling, treatment and use; (3) diagnosing, studying, and controlling laboratory animal disease; (4) developing more efficient biological models; (5) developing and maintaining unique and valuable colonies of research animals; (6) improving the operation of institutional laboratory animal resources; (7) reducing pain to laboratory animals; (8) selecting the least sensitive or non-sentient biological models commensurate with particular experimental purposes; and (9) effectively retrieving and using scientific information.

Also authorizes the Secretary to make grants or contracts or assist financially certain bodies for purposes of carrying out the accreditation requirements.

TECHNICAL ASSISTANCE AND DISSEMINATION OF INFORMATION

Section 9 directs the Secretary of Health, Education and Welfare to collect and disseminate, through various media, information relating to the humane care, handling, treatment and use of laboratory animals used for biomedical activities, and, insofar as possible, to provide technical assistance to assure proper care, handling, treatment, and use of laboratory animals by Federal departments and agencies and others in respect to the means of providing related training and necessary personnel.

SAVINGS CLAUSE

Section 10 provides that if any portion of the Act is held invalid, the remaining portions shall still be effective.

RULES AND REGULATIONS

Section 11 authorizes the Secretary of Health, Education, and Welfare to promulgate necessary standards, rules, regulations, and orders to carry out the policy and purposes of the Act.

AMENDMENTS TO PUBLIC LAW 89-544

Section 12 amends Public Law 89–544 by eliminating the limited responsibilities of the Secretary of Agriculture for establishing and promulgating standards as well as related inspections, to govern the humane handling, care, treatment, and transportation of animals by research facilities. This Act would, in effect, transfer those responsibilities to the Secretary of Health, Education and Welfare.

This section of the Act would not take effect until two years after the date of enactment.

CONFERENCE REPORT ON THE PUBLIC WORKS APPROPRIATION BILL—PERMISSION TO HAVE UNTIL MIDNIGHT, OCTOBER 13, TO FILE REPORT

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tomorrow to file the conference report on the public works appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

WIRETAP

Mr. POFF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. POFF. Mr. Speaker, in the other body, a Judiciary Subcommittee has attached to H.R. 5037 passed by the House on August 8 an amendment which incorporates the essentials of S. 675. S. 675, like its counterpart in the House, H.R. 13275, outlaws electronic surveillance by private citizens, but authorizes its use by law enforcement officers investigating organized crime and other serious offenses, only under strict court supervision.

The House Judiciary Subcommittee concluded hearings on electronic surveillance on April 27, 1967. I urge the distinguished chairman of the committee to schedule the legislation for action by the subcommittee and the full committee as promptly as feasible. Time is of the essence. It is vitally important for the House to have an opportunity to express its will before the other body completes action. Failing to do so, the House will be confronted with a parliamentary problem which would cloud, if not obscure, the issue.

If the House acts first, there will be no room for complaint that the rider attached by the other body is nongermane or unconsidered.

I have just received on my desk a copy of the letter dated September 26, addressed to the chairman of the committee by the Deputy Director of the Administrative Office of the U.S. Courts, advising the committee that the Judicial Conference of the United States on September 22 approved the provisions of S. 675 with certain amendments necessary to comply with the recent decision of the Supreme Court in the Berger case.

There is no longer any justification for any further delay on the part of the Committee on the Judiciary.

DEATH, THE AEC, AND ATOMIC RATHOLES

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, last Monday, my distinguished colleague, the gentleman from California [Mr. HOSMER], inserted in the CONGRESSIONAL RECORD the text of a personal letter he had written to a nationally syndicated columnist. With that letter were certain materials prepared by the staff of the Joint Committee on Atomic Energy.

To complete the record—and in fairness to all concerned—I am placing in the RECORD the three columns by Ralph de Toledano which prompted the reply of the gentleman from California.

The columns referred to follow:

DEATH, THE AEC, AND ATOMIC RATHOLES—I

(By Ralph de Toledano)

At every level of government but particularly in the cloakrooms of House and Senate, there is talk of economy. With billions of dollars melting away in the Vietnamese conflagration, and with billions more being sought to make America's cities safe from extremists, there are just not enough tax dollars to keep the Great Society in blue chips.

Yet in all the debate over ways and means to trim the Federal budget and to reduce the expected $29 billion deficit, not one word is said about the Atomic Energy Commission's $2.5 billion budget request or its fantastically costly drive to "nuclearize" the United States. Nor is any thought given to the consequences to the health and safety of the American people from the AEC's program to replace adequate power facilities with nuclear reactors.

If the Congress and the White House really wish to cure the Federal budget of its chronic elephantiasis, the place to begin might be with the AEC. But this will never be done until the American people are made aware of the atomic rat-hole down which the taxpayer's millions are being poured and of the hazards that the AEC's reactor program are creating. The facts, however, as this series of columns will demonstrate, remain incontrovertible.

It can be demonstrated that—

1. Millions, if not billions, are being wasted in the construction of nuclear power facilities which do not work simply because the engineers have not yet solved the problems that derive from the use of atomic fuels.

2. Lives are being lost and other lives are being jeopardized by the faulty or careless production and deployment of radioactive materials.

3. The AEC and the utilities involved in uses of nuclear energy have not found a safe answer to the problem of disposing of the radioactive waste which is the lethal biproduct of such uses.

In a recent column, I wrote of the tragic death of Robert Peabody as a result of an accident at an atomic energy laboratory, and of the secrecy which the AEC, in violation of Executive orders, clamped down on the case. The AEC, perhaps unaware that I had read its regulations, denied that secrecy existed and argued that, in sealing its files on such accidents, it was merely protecting those involved.

This is simply not so. The attorney for Mr. Peabody's widow was forced to get a Federal court order to allow him to examine AEC's records on the accident—and he is still being balked. This secrecy makes it difficult, but not impossible, to get a clear picture of AEC's operations, errors, and failures. But there is enough on the record to tell the tale.

The AEC's passion for secrecy—and the highly expert propaganda which accompanies it—have obscured the fact that industrial atomic power is an infant science, still unreliable and technologically deficient. At the six "working" atomic plants, as of December 1966, there were repeated interruptions of service. Some of them went out of power production for as long as six months—hardly an encouraging record for those who want to keep America's lights (and freezers and air-conditioners) going.

But these so-called "working" atomic plants are only a small part of the story. After an investment of $111 million, the Enrico Fermi plant near Detroit was taken out of service and replaced by an oil-burning facility. At Oak Ridge, Tennessee, another nuclear power plant was closed down, with $57 million going down the atomic rat-hole. A Hallam, Nebraska, plant, built at a cost of $54.7 million in January 1963 was shut down in August 1965—and the AEC has announced that it will be torn down because of "technical difficulties"—namely that the reactor was too "hot" for safety.

The cause of these multi-million dollar misunderstandings—and I have cited but a few examples—can be summed up simply: Neither the scientists nor the engineers have as yet the full know-how to build nuclear power plants. They are experimenting with the taxpayer's money. But these experiments should be confined to the laboratory, not to populated areas where mistakes can blow your city or mine to Kingdom Come.

DEATH, THE AEC, AND ATOMIC RATHOLES—II

(By Ralph de Toledano)

The Atomic Energy Commission, in its great zeal to "nuclearize" America's electric power facilities, has stated flatly that "in the more than 20-year history of the nation's nuclear program, there have been only seven radiation-associated deaths." In the same "report," the AEC also claims that there have been only "some two-dozen accidents."

In any assessment of the AEC and its practices, these statements command the question: Are they true? They fall by the AEC's own testimony. In a 1965 AEC publication, the figure for atomic accidents was set at 33. This kind of backward arithmetic seems to be par for the course at AEC. The commission's real attitude on such accidents, moreover, may well have been summed up before the Joint House-Senate Atomic Energy Committee on May 4, 1967, when its representatives took the position that "progress" in the nuclear field was far more important than any death-dealing activities.

This view was underscored by Representative Chet Holifield (D.-Calif.), vice chairman on the joint committee and the AEC's champion on Capitol Hill, when he callously dismissed a union official's testimony on the deaths by radioactivity of uranium miners. "Maudlin sentimentality," Mr. Holifield said.

Have there been only "seven radiation-associated deaths" in the potentially lethal atomic power field? The Washington Post reported recently that an estimated 115 uranium miners had died of radioactivity. And United Mine Workers President W. A. Boyle, in a hard-hitting and eloquent Labor Day speech, charged that "the government in Washington has permitted this outrage to go on for more than twenty years . . . It's too late for an estimated 6,000 men—who will die miserable deaths in the next few years."

As to the "two-dozen accidents"—or is it 33?—there is the rebuttal of Leo Goodman, the AFL–CIO's expert on atomic energy problems. "I have tabulated 1,400 accidents," he has said—and all of them invloved radiation hazards. That the facts have been kept from the American people by what the United Mine Workers president calls "a conspiracy of silence" by the AEC and its "stooges on Capitol Hill" is a demonstrable fact. At every turn, the AEC cries out, "Classified!" and quotes its release No. K–158, a document which violates anti-secrecy laws passed by the Congress.

From behind a bastion of self-ordained censorship, the AEC claims that "there have been no civilian reactor accidents which have caused loss of life or endangered public health and safety." Does this statement bear scrutiny? Forgetting its assertions of purity, the AEC in another document admits to "adverse effects" on health and safety as a result of accidents and negligence at a New York nuclear power plant.

Last fall, according to the AEC itself, that New York plant dumped five million gallons of radioactive waste into surrounding waters. Radioactive contamination spread into presumably "clean" areas of the plant. And radioactive gases from the plant's stack were not monitored. The Scientists' Institute for Public Information further contradicts the AEC, noting in a May 1967 report that "there have been 10 serious reactor accidents since 1949, and four reactors have been discontinued as a result." Among those accidents: A "core explosion" at a reactor in Idaho which "resulted in the death of three men and a significant release of radioactivity to the environment."

So far, the United States has not had an accident such as the one at Windscale, in England, which resulted in the release of 20,000 curies of radioactive iodine to the atmosphere. Since the lethal dose of radioactivity is measured in *micro*curies, the meaning of that accident is appalling.

Americans can take less comfort from the conclusions of the Scientists' Institute that "an explosion, meltdown, or other accident resulting in a major release of radioactivity is always possible." The scientists add that any degree of radioactivity is dangerous—so that quibbling about "low level" radioactivity, as opposed to "high level" radioactivity begs the deadly question. It is as tasteless as the old joke about the girl who was just a little pregnant.

The advocates of nuclearized electric power contend that they will eliminate the pollution caused by coal-burning steam generators. But all they propose to do is to substitute one kind of controllable pollution for another, and uncontrollable, pollution. In the debate, the AEC is of no help. It has a vested interest in the proliferation of nuclear power, and it will fight to the last press release to have its way.

DEATH, THE AEC, AND ATOMIC RATHOLES—III

(By Ralph de Toledano)

Eleven foreign experts on nuclear power are in the United States to learn from the Atomic Energy Commission how the United States disposes of radioactive waste. What they discover will depend on their capacity to penetrate the curtain of AEC's joyous propaganda. The Commission's Chairman, Dr. Glenn T. Seaborg, has asked Congress to give him $17.9 million—an increase of $1 million over last year—for a delicately stated drive to "increase the number of trained people in the nuclear field and to disseminate information related to nuclear sicence and technology."

How much of that money goes to "public relations" is anybody's guess, and hardly to be forked out of the highly censored AEC testimony before the House Appropriations Subcommittee.

The fact is that the AEC is still "looking for a permanent method of disposal" for the high-level radioactive waste that is a by-product of its vast power-reactor program. (The quoted words are those of George M. Kavanaugh, the assistant manager for reactors of the AEC.)

Let me quote what the Scientists' Institute for Public Information and the Committee for Environmental Information jointly say about this radioactive waste:

"Activity levels in the liquid may be as great as several *thousand* curies per gallon . . . Since typical exposure limits for human whole body doses are of the order of microcuries—millionths of a curie—a *single gallon* of the waste would be sufficient to threaten the health of several million people. One ton of processed fuel will produce from 40 to several hundred gallons of waste depending upon the details of the process used."

The committee adds: "It has been estimated that about five cubic miles of water would be required just to dilute the waste from one ton of fuel to the maximum permissible concentration (MPC). The time required for its longest-lived components, strontium 90 and samarium 151, to reach the MPC by natural decay is from 1000 to 1500 years."

The AEC, when it is cozily closeted with a Congressional committee, is ready to dis-

close that at Hanford (Washington) alone, there are 83 storage tanks, with capacities of up to a million gallons each, for the storage of radioactive wastes. Other radio-active waste "graveyards"—very appropriately named—are scattered around the country.

Are they safe? The AEC casually informs members of Congress that at Hanford, the "useful storage" is 46.2 million gallons. But F. P. Baranowski, the AEC's director of the Division of Production, says: "That number is arrived at after you take a look at those tanks which are *currently leaking*, subtracting that from the total . . . For example, at Hanford, 10 tanks out of the total number are leakers . . . of highly radioactive materials."

Turn again to the Scientists' Institute for Public Information: "If there are only a few large processing plants in the 'developed' nuclear economy of the year 2000, large amounts of irradiated fuel will have to be transported for processing, with the attendant danger of accidents in transport"—and the need for local disposal of radioactive waste. "If there are many sites, for example, one or more at each population center, then the likelihood of compromises in siting, ready access of leakage to groundwater and individual peculiarities of design is increased."

"Finally," the Institute warns, "the sort of minor accident that occasionally occurs in our present industrial technology due, for example, to natural gas leakage from pipe lines vandalism, and simple human error could be disastrous in a neighborhood nuclear waste plant." That kind of "simple human error" at the West Valley, New York, reprocessing facility led to the dumping of millions of gallons of radioactive waste into surrounding waters.

This is why W. A. Boyle, president of the United Mine Workers Union, in his Labor Day speech, calls radioactive waste "a threat to every man, woman, and child in our nation." That is why he has warned that "trucks and railroad cars are transporting radioactive waste materials at night through urban centers across the states to dump it." One overturned truck, one derailed freight car, could scatter a lethal load on the landscape.

In aid of what? At a cost of how many billions? To bring death into America's cities? To perpetuate the AEC? Or to pour more billions down atomic rat-holes?

M–16 RIFLE PROCUREMENT FOR TROOPS IN VIETNAM

Mr. FINDLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FINDLEY. Mr. Speaker, rifle procurement for troops in Vietnam is a shameful chapter without parallel in U.S. wartime history. For the first time our men have been sent into combat without full technological support on the homefront.

They have not had the best weapons we can produce in the quantities needed, and therefore have assumed unnecessary risks to their lives because the homefront has not shifted to adequate mobilization. Instead the arms industry continues to this day at an unbelievable business-as-usual pace.

Although a half-million American men in uniform face the never-ending dangers of war in Vietnam, America's massive technology has not been marshaled behind the relatively simple task of providing them with the best available rifles.

Only a part of our forces—not to mention those of our allies—have rifles improved to reduce malfunction problems. The gun and improved parts for it are still produced only by one source—Colt Industries—which was shut down almost completely for 5 weeks in July and August on a combination holiday and strike, which to this day has not received orders to expand production, to the maximum, and which is still shipping guns to a neutral government and negotiating a sale with another one.

Accordingly, I am today urging the Secretary of Defense to take the necessary steps, in order to—

First, place production facilities of Colt Industries, which is now the sole producer of the M–16 rifles, on a three-shift, 7-day basis, without holidays.

Second, expedite the opening of additional sources to operate for the production of gun and component parts on the same uninterrupted basis.

Third, expand as quickly as possible production at all sources.

Fourth, utilize Taft-Hartley in order to prevent work stoppages such as occurred in July at Colt Industries.

Fifth, preempt all production of this gun until needs of allied forces in Vietnam are fully met, which means interdiction of guns sold by Colt to the Singapore Government but not shipped, and denial of a shipping permit on a proposed sale to Brazil.

Sixth, halt troop buildup in Vietnam until all allied forces are fully equipped with the improved M–16.

To illustrate, only 22,000 of the 75,000 marines in Vietnam have M–16 rifles, and almost all of these are the early model which experienced frequent malfunction due to the rate of fire caused by a new type of ammunition in common use.

An improved part called a buffer, which reduces rate of fire and thus stoppage rate, was produced beginning last December. The Marine Corps was notified in January they would receive the buffers in August. If any protest was made over the 6-month delay in delivery, I have no evidence of it. In any event, despite malfunction problems experienced by hard-pressed marines in Vietnam last spring and summer, the first buffers did not arrive in Vietnam for their use until September 22.

As of October 8, 8,437 marine rifles—about one-third of the M–16's in marine hands—had been retrofitted with the new buffer, with the balance to be done by October 15.

A second improvement which a marine official in the Pentagon described as even more important to the proper functioning of the weapon—chrome plating of the chamber—has hardly begun. The project was approved in April but the official go-ahead to the manufacturer was not issued until July, and actually, plating did not begin until last month.

Marines in Vietnam were told they would begin receiving guns with chrome chambers in August, but now the first are expected in November. November and February shipments of new improved M–16's will consist of only 4,500 each, with a final scheduled shipment of 4,500 more next May. Meanwhile old models will be retrofitted with new barrels in the field at a snail's pace of 1,000 each in November, December, and January, 3,000 in February, and 5,000 each in March, April, and May.

Chrome plating of barrels is being done at Rock Island Arsenal as well as Colt, but obviously the pace is far too slow.

The Marine Corps has no idea when all its Vietnam troops will be fully equipped with M–16's. Not even a distant target date could be cited.

Less than one-third of U.S. Marines in Vietnam have an M–16 rifle of any kind. Presumable the same ratio prevails for the Army. South Vietnam forces and South Korean forces have no M–16 rifles and few if any M–14's.

Despite the obvious critical need for improvement of existing M–16's and the manufacture of hundreds of thousands of additional guns, Colt Industries, which is still the sole producer of the guns and the improved buffer, was shut down almost completely for a 2-week holiday early in July and was strikebound for 3 additional weeks in July and August.

In mid-June, Colt officials suggested that the Government use Taft-Hartley authority to prevent the impending work stoppage, and the last week in June changed the suggestion to a request. The answer from Army procurement was that the Government preferred to have the dispute settled between management and labor by free collective bargaining and therefore rejected the proposal that Taft-Hartley authority be utilized to keep work going during a 60-day "cooling off period." On July 19 I urged that Taft-Hartley be invoked. My proposal was rejected.

At no time did any government official suggest or request that Colt forgo the planned 2-week vacation shutdown.

Even today, the plant does no work on Sunday, very little on Saturday, and works only two full shifts 5 days a week. The third shift carries only a partial production load.

Callous indifference is the only appropriate term with which to describe the ho-hum, business-as-usual attitude which obviously governs decisionmaking over these vital matters by our Government. Our men in Vietnam have every reason to be resentful.

SALUTE TO CHRISTOPHER COLUMBUS—LET'S MAKE HIS DAY A NATIONAL HOLIDAY

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, I take this time today to salute not only the discoverer of America, Christopher Columbus, but also to salute and pay tribute to all Americans of Italian extraction who have done such a tremendous job in developing and contributing to the growth of this great country of ours which Columbus himself discovered.

There have been some references in

the press in recent years, Mr. Speaker, to the fact that somebody else named Leif Ericsson discovered America. But I would like to assure the Members of this House that as far as I am concerned, as far as the people of the 35th District of New York are concerned, and the people of New York State are concerned, Christopher Columbus definitely discovered America, and we know he got here well before Leif Ericsson did.

I also would like to say, Mr. Speaker, I think the best way we could honor Columbus would be to make his day into a national holiday. And even though I am the sponsor, and have been for a long time, of legislation to make all of our holidays fall on Monday, I feel so strongly about the importance of getting Columbus Day established as a national holiday, that I would forgo, at least for the moment, the privilege of having it, too, fall on a Monday, and I would be happy to have it fall on any day, just so long as we can get the Columbus Day bill passed.

Mr. Speaker, not only is it appropriate today to honor the discoverer of America but also to pay tribute to people of Italian descent, people who brought to America the same kind of courage and ability as built this New World of ours after Columbus had discovered it.

Today more than ever before we need something of the same kind of courage and incidentally the same kind of unwillingness to give up in the face of hardships, and even occasionally in the face of the inability of others to see the light at the end of the tunnel, that Columbus displayed so bravely when he made that historic voyage across the open Atlantic.

If Columbus had given up as easily as some people would like us to give up today in the face of other difficulties, America would never have been discovered.

Mr. FINO. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from New York.

Mr. FINO. Mr. Speaker, I thank the gentleman from New York for yielding to me. I would like to associate myself with the remarks of the gentleman from New York in connection with the recognition of Columbus Day.

I have urged for many years the passage of Federal legislation to declare Columbus Day a national legal holiday. I hope that by next year this country will have enacted appropriate legislation, so that all America will be celebrating the discovery of this New World by the great explorer and the great Italian, Christopher Columbus.

Mr. STRATTON. I certainly appreciate the gentleman's remarks. I agree with them wholeheartedly.

As one who was privileged to have received a degree from Harvard, let me conclude by pointing out that the principal support for Leif Erickson's claim comes from another college by the name of Yale.

LEGISLATIVE PROGRAM

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, I take this time for the purpose of asking the distinguished majority leader the program for the remainder of this week and the agenda for next week.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, in response to the inquiry of the distinguished minority leader, we have no further legislative business for this week, and will ask to go over until Monday, after announcement of the program for next week.

Monday is Consent Calendar day.

There are five suspensions for Monday, as follows:

H.R. 13048, the Library Services and Construction Act amendments.

H.R. 10583, to provide relief to occupants of certain unpatented mining claims.

H.R. 5161, to designate the San Rafael Wilderness, Los Padres National Forest, Calif.

Senate Joint Resolution 112, to extend the time for filing report of Commission on Urban Problems.

House Joint Resolution 859, to extend for 1 year the Urban Mass Transportation Act of 1964.

Tuesday is Private Calendar day.

Also on Tuesday there is scheduled for consideration H.R. 159, creating an Independent Federal Maritime Administration, under an open rule, with 2 hours of debate, making it in order to consider the committee substitute as an original bill for the purpose of amendment.

And also scheduled for Tuesday is S. 676, obstruction of criminal investigations, under an open rule with 1 hour of debate.

For Wednesday and the balance of the week there is scheduled for consideration:

A House joint resolution making continuing appropriations for the fiscal year 1968, which of course will be subject to a rule being granted, in view of the objection made by the distinguished gentleman earlier today.

And H.R. 13178, safety of Capitol Buildings and Grounds, under an open rule with 1 hour of debate.

This announcement is made subject to the usual reservation that conference reports may be brought up at any time and that any further program may be announced later.

For the benefit of the Members, I should like to add it is anticipated that several conference reports on appropriation bills will be called up during next week, and that we probably will have two for consideration on Monday, on the Department of Transportation appropriation bill and on the public works appropriation bill.

Mr. GERALD R. FORD. Mr. Speaker, I would like to reaffirm this: I am sure the gentleman from Oklahoma said that on Monday we were going to have conference reports on the Department of Transportation appropriation bill——

Mr. ALBERT. Probably.

Mr. GERALD R. FORD. And the public works appropriation bill.

Mr. ALBERT. Probably, if it is ready, as I understood the distinguished gentleman from Texas.

ADJOURNMENT TO MONDAY, OCTOBER 16, 1967

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES AND SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED AND FOUND TRULY ENROLLED

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COLUMBUS DAY OBSERVANCE BY THE UNITED ITALIAN-AMERICAN SOCIETIES AND CLUBS OF GREATER SPRINGFIELD, MASS.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, it is timely to reflect that 475 years ago Christopher Columbus first set foot on this continent. In the span of world history, this is a very short time indeed.

And yet, in this 475 years, our land has grown from a wilderness of mountains, dense forests, and vast prairies to become the most powerful and advanced nation on earth.

The work of countless people of many nations has made this phenomenal transformation possible. Interestingly enough, the work of the fellow countrymen of Columbus has been responsible for much of this growth.

Some of the first brave men to follow Columbus were Italians. One of these, Amerigo Vespucci, sailed to the New World only 7 years after Columbus, in 1499. He explored the coast of what we now know as Venezuela and returned to Europe to publish his notion that this was not an unexplored portion of Asia, but a new continent. His writings attracted so much attention in Europe among those people who were interested in exploration and geography, that mapmakers began naming the new continents after him.

John Cabot, although he sailed for the King of England, was born in Genoa, and at the time of his travels was a citizen of Venice. In the course of his voyages, he became the first European to explore the mainland of North America.

The recent construction of the Verrazano Narrows Bridge is an appropriate reminder that it was Giovanni da Verrazano who first sailed into New York Bay.

Other Italians followed Columbus and his compatriots to the New World. A century before the time of the American Revolution, there were Italian settlements from New York to Florida.

When the first rumblings of discontent began in the Colonies, it was an Italian friend of Franklin and Jefferson who publicly urged separation from England. Filippo Mazzei was invited here by his friends and wrote numerous articles which were translated and distributed by Jefferson. They were widely published and read and their message helped to fan the fires of revolution.

Before the founding of this Nation we already owed a great debt to Italy. That debt has grown greater with each advancing era of our history. In each of our wars, from the Revolution to the present time, Italians and Italian Americans have distinguished themselves. Over 200 Civil War officers were Italian, and over 400,000 served in World War II. At least seven of these were awarded the Congressional Medal of Honor for their outstanding courage and sacrifice.

The contributions of the Italians are too numerous to catalog here. Entire books have been devoted to the work of those of Italian descent in America.

In music the list runs from Enrico Caruso to Henri Mancini and Toscanini.

In government and public service, names like Fiorello LaGuardia, John A. Volpe, JOHN O. PASTORE, and former Secretary of Health, Education, and Welfare Anthony Celebrezze lead the list of Italian Americans who have served the public as mayors, Congressmen, Senators, judges, and Federal Government officials.

In business, medicine, sports, the sciences—in every field of endeavor—Italian names are numerous and prominent.

On October 12, as we pay homage to the great Christopher Columbus, we honor also the other brave and visionary explorers, and all those who have come to these shores since Columbus. We remember with gratitude the rich heritage of Italy which we enjoy here in America. In every area of our life, from our food to our music, we can be more thankful for the steady stream of Italians who began moving westward to the New World 475 years ago.

Mr. Speaker, on this day I am pleased to call to the attention of the Members of the House one of the best and most outstanding events to commemorate the memory of Christopher Columbus. This tribute to Columbus in my congressional district is sponsored by the United Italian-American Societies and Clubs of Greater Springfield, and is marked by one of the finest parades that one can witness, followed by the annual Columbus Day dinner.

Over the years I have been pleased and privileged to be invited to participate in these observances. In addition to paying tribute to Columbus, the dinner benefits the combined societies' scholarship fund. These awards are made to outstanding Italian-American students attending high schools in Greater Springfield. I want to take this opportunity to commend the United Italian-American Societies and Clubs of Greater Springfield for their interest in, and their support of, education, and extend my congratulations to the scholarship winners whose names will be announced at the dinner tonight.

Mr. Speaker, I include with my remarks at this point in the RECORD the telegram I sent today regretting my absence from the dinner tonight, and a newspaper story on the gala Columbus Day parade, held last Sunday in Springfield, taken from the Springfield Union of October 9:

OCTOBER 12, 1967.

VINCENT R. CAROLEO,
Toastmaster, Columbus Day Dinner, United Italian-American Societies and Clubs of Greater Springfield, Springfield, Mass.:

Deeply regret congressional business keeps me in Washington today. Permit me to join by way of this wire in extending my best wishes to the United Italian-American Societies and Clubs of Greater Springfield in its tribute to Christopher Columbus.

This event is one of the most moving and outstanding celebrations on Columbus Day. I have attended many of these occasions and have been impressed with their significance.

Please convey my congratulations to the scholarship winners and my best wishes to all.

EDDIE BOLAND,
Member of Congress.

[From the Springfield (Mass.) Union, Oct. 9, 1967]

SEVERAL THOUSAND WATCH COLUMBUS DAY PARADE

Several thousand area residents lined Main St. Sunday to watch the marchers in the ninth annual Columbus Day parade wind their way along Main St. in tribute to the man credited with the discovery of America.

LARGEST IN HISTORY

The parade was the largest of its kind in its nine year history with marching units and drum corps from New York, New Hampshire, Maine, Vermont, Rhode Island, Connecticut and this state participating in the two hour march from Memorial Square in the North End to the Christopher Columbus monument in the South End.

Sponsored by the United Italian American Societies of Greater Springfield the parade included representatives of more than 30 Italian societies and clubs from the area proudly displaying the official Columbus Day parade colors of purple and white during the festivities. Columbus himself was portrayed by Tom Vallari.

In the forefront of the contingents of marching units were Mayor Charles V. Ryan, city councilmen and other city officials followed by the more comely Columbus Day Queen, Miss Jo Ann Stirlacci, 17, and her court.

Miss Stirlacci is the daughter of Dr. and Mrs. Joseph R. Stirlacci of 264 Sumner Ave. and is a senior at Technical High School.

HONOR PAST QUEENS

A first for the ninth annual parade was the honoring of past Columbus Day Queens Phylis Quatrano (1963), Carol Casanova (1964), Patricia Albano (1965), and Jean Quatrano (1966) sister of the 1963 queen who added a bit of the charm of Italy to the parade.

The first Columbus Day queen chosen in 1962, Mrs. Louise Fusaro, the former Diane Lauriante, appeared in a 1904 Cadillac touring car owned by Seymour Kramer of Merrick, L.I., N.Y.

One of the highlights of the parade was the Melha Temple Shriners of Springfield with its three colorful marching units; Melha Highlanders, Melha Oriental Band, and the famed mini-auto unit.

The Melha Highlanders paraded to the wheezing of the Highland Fling on bagpipes while their red, white and green checked kilts flapped with the brisk winds.

FLOATS APPLAUDED

The Oriental Band in green pantaloons and yellow jackets its mysterious eastern music while the mini-cars and scooters darted in and out and performed figure eight patterns in front of and behind the unit.

Two floats receiving loud applause from the spectators were the Little Old Italian Wine Maker with its participants sitting at a table enjoying the fruits of the grape, and the Mountain Hillbillies which had "Ma and Pa" and family complete with "jug" and corncob pipes.

The winning float portrayed Columbus and five of the nation's most distinguished past presidents, and was entered by Mrs. DiAgostino.

Some of the fanciest marching in the parade was performed by the "Upsteppers" of Providence, R.I. which went through intricate weaving patterns and pirouettes with musical accompaniment supplied only by the clapping of their hands and the stomping of their boots.

CLOWNS A HIT

A big treat for the children watching the parade were the clowns, most of whom were affiliated with the Melha Temple unit, in outlandish costumes with water-squirting flowers, massive rubber feet, ragged wigs and potato sized noses that tossed small favors of bubble gum and candy to the children.

Several area high school and competition marching units provided the traditional drum and bugle sounds familiar to any successful parade.

Westover AFB 8th Air Force Band, Springfield Blue Hawks, Targets Drum and Bugle Corps, St. George Olympians Drum and Bugle Corps, and the Red Devil's Band of Warwick, R.I. were among the musical units that performed in the parade.

The parade committee includes honorary chairman, the Rev. Peter V. Toretta, C.S.S., pastor of Our Lady of Mount Carmel Church; president of United Italian American Societies, Samuel Cardone; vice-president, John F. Labizalini; marshal, Raymond Gallinotti; float chairman, Anthony Calvanese; chairman of marshal's aides, Leonard Mercier and marshal's aide, Anthony Mazzinino.

CRIME CONTROL

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. CORMAN] is recognized for 20 minutes.

Mr. CORMAN. Mr. Speaker, recently some Republicans have publicly attempted to discredit every anticrime measure that the administration has proposed this year. Their voting record and their rhetoric suggest that they may be more interested in finding a partisan political issue for next year's campaign than in seeking bipartisan solutions to one of the most critical problems facing our Nation today.

The Republicans who are attacking the administration's efforts in crime control are doing this country a great disservice. They may be furthering their political ambitions, but they also may be weakening our Nation's efforts to reduce criminal acts and to find ways to weed out the root causes of crime.

Apparently, the Republican aim is to make crime control one of the major issues of the 1968 election campaign. They must believe that it has "vote appeal." Yet, Republican Members of the Congress must realize that to play partisan politics with this critical problem is a dangerous game—for the safety and security of the American people are the stakes.

We are today confronted with one of the most serious problems of our generation. The mounting incidence of lawlessness directly or indirectly affects every American. It is as real a national emergency as any we have experienced in this country, and we must face it in the same day we have successfully faced other national emergencies—in a responsible bipartisan manner. If we do otherwise, we are breaking our trust with the American people and placing the war against crime in jeopardy.

Recently, President Johnson said:

> What America needs is not more handwringing about crime in the street. America needs a policy for action against crime in the streets—and for all people of this country to support that policy.

I agree. The 89th Congress, in giving its approval to the Law Enforcement Assistance Act, demonstrated a new, national commitment to the war against crime—a willingness to take a first, major step toward Federal-State cooperation in the anticrime effort. A nonpartisan policy of action against crime was being shaped, based on the principle that, while the responsibility to deal with crime is primarily a local function, the Federal Government can and must assist local efforts to meet this responsibility.

This principle was reinforced by the National Crime Commission in its 18-month study of crime in America. One of the Commission's conclusions was that the Federal Government has an obligation to provide more support for local programs that deal with law enforcement and the administration of justice; that the present level of Federal support provides only a miniscule portion of the resources that States and cities need to bring about meaningful changes.

The Safe Streets and Crime Control Act—later renamed the Law Enforcement and Criminal Justice Assistance Act—was brought to the floor for consideration early in August. The bill provided support for and gave substance to the Crime Commission's recommendations. The act provided grants to State and local governments to assist in planning, for implementing innovative concepts, for research and for new facilities. The bill established a new office of law enforcement and criminal justice assistance in the Department of Justice to carry out the provisions of the legislation.

But, how was the bill passed in the House? The Republicans simply cut the heart out of it in a way that substantially changed and effectively diminished the usefulness of Federal funds that State and local governments could receive under its provisions. The bill that passed this House bears little resemblance to the proposed legislation that resulted from the 18-month study of the National Crime Commission.

The Republican amendments provide for block grants to States under the supervision of what is called a State planning agency, whose members are to be appointed by the Governors of States. There is no restriction in the bill on the type of persons who could be appointed to these planning agencies; there is no provision for bipartisan membership. The Governor of a State would have complete control over a planning agency and its decisions because he would control the appointees. It is obvious that there are great dangers here. A State planning agency could become an instrumentality of tremendous power. Moreover, State Governors could be vulnerable to rival political factions within their State. The political powers upon whom a Governor might have to rely for support in the next election could devour a major portion of the Federal anticrime funds allocated to that State. The Justice Department, the FBI, and the national crime experts are clearly in a better position to impartially allocate funds for anticrime purposes.

Furthermore, what the Republicans overlooked when they based the criteria for allocation of crime fighting funds on a State's population is that it is the cities which face the bulk of crime problems within a State, and it is the cities which specialize in police forces—not the States.

Indeed, it is the great city police forces—New York, Chicago, Los Angeles—which have kept in daily touch with the Department of Justice and the FBI, not the State police forces. In fact, most States have no police other than highway patrols. It is the cities which have borne the responsibility and cost of law enforcement over the past hundred years. Few State governments have shown either interest or fiscal responsibility for this task.

But now, suddenly, Mr. Speaker, Governors are to be given vast amounts of money for local law enforcement, when they have neither the personnel, the facilities, nor the expertise for meeting the task of fighting crime.

I would ask my distinguished colleagues to ponder these facts for a moment. And, then I would ask them—how much money do you really believe the Governor of Georgia would allocate to the Atlanta Police Department to fight crime? I believe you would find the answer most distressing.

What will survive of the Law Enforcement and Criminal Justice Assistance Act when this session ends is difficult to say.

Responsible nonpartisan action does not always seem to be the most important aim of the minority.

In fact, for all its "hand wringing" about crime, the minority Members of the House are working to deprive the Justice Department of the essential tools it needs to weed out crime in our society. Those who would criticize the caliber of Federal law enforcement while hamstringing Federal efforts to do an effective job in upgrading crimefighting programs are surely guilty of the worst form of hypocrisy.

If the Republicans persist in making a game of the serious national problem of crime, they should at least scratch for a more convincing charge than that which they recently hurled at the Justice Department—to the effect that the Department has been "indifferent to organized crime in the United States."

This charge has been well refuted by one of the least "indifferent" and most outstanding, dedicated, and hard-working public servants our Nation has ever had the good fortune to have—Attorney General Ramsey Clark. The following letter I recently received from Deputy Attorney General Warren Christopher supports the Attorney General's retort that—

> The Department of Justice is mounting an attack on organized crime which is unequalled in its dimensions and unparalleled in its results.
>
> In May of 1966, President Johnson, calling organized crime "nothing less than a guerrilla war against society," directed that all Federal efforts against it be intensified and coordinated by the Department of Justice. Responding to this instruction, the Department of Justice, the FBI, and other Federal agencies—including the Bureau of Narcotics, the Intelligence and Alcohol and Tobacco Tax Divisions of the Internal Revenue Service, the Department of Labor, Bureau of Customs, Secret Service, and the Securities and Exchange Commission—have brought the federal drive against organized crime to a record level of effectiveness.
>
> This collective effort has resulted in numerous prosecutions of key Cosa Nostra members. Nineteen members of Cosa Nostra have been indicted since May of this year. This number includes the heads of two key "families" and the second in command in another. These indictments represent a twofold increase over the average monthly indictment rate since 1961.
>
> The statistics are just as impressive with respect to the broad spectrum of organized crime and racketeering. Never before have prosecutions been as high as they are today. Whereas only 19 prosecutions were handled by the Organized Crime and Racketeering Section in 1960 (the last year of Republican Administration), a record high of 1,198 indictments were handled last year. Correspondingly, whereas only 45 convictions of racketeers were obtained in 1960, more than ten times that number (477) were obtained last year.
>
> FBI investigations alone accounted for 197 convictions of organized crime and gambling figures in fiscal 1967. This figure represents more than a 300% increase over fiscal 1963.
>
> Across the nation evidence of organized crime activities is presently being received by nearly two dozen Federal grand juries. In addition, the Federal investigative agencies have pooled their intelligence and cre-

ated special integrated units to attack organized crime in selected urban areas.

To support these endeavors, the Department of Justice has dramatically increased the manpower and resources available to combat organized crime. This month the drive on organized crime by the Department's Criminal Division is reaching its highest manpower strength in history, a more than three-fold increase over the 1960 strength. Further, the proposed fiscal 1968 budget for the Organized Crime and Racketeering Section will be the highest in the history of the Section.

Finally, the war on organized crime has not been restricted to Federal agencies and Federal personnel. Increasingly, the Organized Crime and Racketeering Section is furnishing technical assistance to states interested in establishing anti-organized crime units. At the same time, officials of this Department, including Assistant Attorney General Vinson and Chief Henry E. Petersen of the Organized Crime and Racketeering Section, are travelling extensively and conducting meetings throughout the United States with local and regional officials of a number of Federal agencies to further focus our efforts in the organized crime drive.

Mr. Speaker, no one has demonstrated more concern for the problem of organized crime—or any form of crime—than has Attorney General Clark. The success of the Justice Department's activities in the crime war is due to the able leadership of the Attorney General. He has fulfilled all the expectations of those who hailed his appointment earlier this year. His background and experience made him an ideal choice for the post of Attorney General of the United States. His sound judgments and his courage to act on his convictions have made him eminently worthy of the trust placed in him by President Johnson and the Congress in confirming his appointment.

My purpose here today is to set the record straight on the administration's efforts to combat crime and to plead for responsible nonpartisan action on pending legislation that is of vital importance to all the people of this Nation.

If we are seeking a "policy for action" to combat crime, surely it exists in the form of legislation now before the Congress. One measure, the gun control bill, is the subject of much intense lobbying. Many of us have received mail from constituents who fear that this bill will victimize the American sportsman by taking away his privilege to own firearms.

Let us also set the record straight on this issue: The privilege of the American sportsman or the amateur gun collector will not in any way be jeopardized by the gun control bill. The sole objective of this proposed legislation is to prevent the sale of firearms to known criminals, the mentally unstable, and other potentially dangerous users of such weapons. It would limit out-of-State purchase and interstate mail-order sale of firearms. This will allow State and local authorities to exercise such controls as the people of their own communities believe are warranted. Commonsense tells us that passage of an effective gun control statute is desperately needed to provide safety and security for the American people. Let the measure receive the bipartisan support it needs.

There is also legislation pending to protect a citizen's right to privacy by prohibiting wire interception and eavesdropping. The pall of fear which eavesdropping may put upon normal conversation is serious and we must not permit the continuation of such an invasion of privacy. The Washington Post put it well in a recent editorial when it said:

People who fear that government agents may be covertly listening to all that they say are not free people. They speak under constraint. And where this fear is endemic, freedom of communication is a casualty.

While it is vital to any crime-fighting effort that criminals be detected and prosecuted as vigorously as possible, it is basic to the citizens of a democracy that they be protected in their rights of privacy from unwarranted snooping. Congress has the duty and obligation to protect the privacy of each of us by enacting clear-cut legislation to outlaw wiretapping, public and private, wherever and whenever it occurs, as well as all willful invasions of privacy by electronic devices such as radio transmitters and concealed microphones, with the single exception of those instances where the security of our country is at stake, and then only under the strictest safeguards. Congress has the obligation to prohibit the advertising, manufacture, or distribution in interstate commerce of wiretapping and eavesdropping devices. These provisions are the heart of the bill introduced in the House this past February. This bill will give us the opportunity to maintain an honest standard of justice in our society. Without this standard of justice, we cannot hope for a control of criminal acts.

This is a bill to protect the privacy of each American—and its passage requires bipartisan support.

Mr. Speaker, the administration's legislative proposals would give the Department of Justice additional tools with which to discharge its responsibilities in this struggle. It would give State and local governments the assistance they need to act on what is primarily their responsibility in this fight.

We cannot afford the luxury of partisan bickering in a matter of such vital national importance. We have the resources to control crime—all we need is the resolve and the courage to cut through the political smokescreen which blind us to our obligations.

Mr. JACOBS. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Indiana.

Mr. JACOBS. I thank the gentleman for yielding.

Mr. Speaker, I want to commend my colleague from California for what I believe to be an excellent analysis of the crime problem in the United States, and of the role of the Federal Government in fighting that crime problem.

I also wish to commend the gentleman on his excellent analysis of the legislation that has been before the Committee on the Judiciary of which both my colleague from California and I are members.

I wish further to add my commendation of the Attorney General of the United States, whom I consider to be one of the great attorneys general in the history of the United States, a man of considerable talent, and I am convinced from my contacts with him, a man of considerable dedication to the fight against crime in this country, and the work against the causes of crime.

I admire the Attorney General for his modesty and the good grace with which he undergoes, what I believe to be most unfair attacks that a few have lodged against him.

So, Mr. Speaker, again I commend my colleague from California for calling the attention of the House to this subject.

Mr. CORMAN. I thank my distinguished colleague from Indiana.

APPALACHIAN REGIONAL DEVELOPMENT: HAS THERE REALLY BEEN ANY, AND WHY?

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 30 minutes.

Mr. SCHWENGEL. Mr. Speaker, when I asked for the special order, I planned to talk during the entire period about an educational bill that I had dubbed "The Iowa Plan for Growth and Progress in Higher Education." That bill has been introduced in the form of H.R. 13255.

However, I would like now, since recent developments, to divert just a moment and talk about an event that happened at the White House yesterday.

Mr. Speaker, yesterday morning the President signed into law the Appalachian Regional Development Act Amendments of 1967. This legislation was the product of 9 months of public hearings, by a subcommittee of the Public Works Committee of which I am a member, executive sessions, floor actions, and House-Senate conference committee sessions.

Essentially, the 1967 amendments provide for an expansion of existing Appalachian programs, for the questionable creation of new ones in the region, and for additional authorizations to finance such programs.

The signing of the bill was accompanied by the customary laudatory statements as to the good intents of the Johnson administration and the legislative leadership and the supposed benefits it will have for the Appalachian region and its people.

A Member hesitates to be an "I told you so" Member or to "kick a dead horse," as the expressions go, but I feel compelled this afternoon to take exception to the pronouncements yesterday morning by the White House as to what great assistance the legislation is to be to the region and its people, and to bring certain matters on these points to the attention of my colleagues.

In 1964, when the President first transmitted the Appalachian regional development proposals to the Congress, I served as a member of the Ad Hoc Subcommittee on Appalachia of the House Committee on Public Works. Repeatedly, I asked the subcommittee and full committee leadership to authorize an on-site inspection tour of the Appalachian

region by the members and staff of the subcommittee; to take testimony from the people; and to develop a program that would benefit the needs of not only those sections of Appalachia which might be impoverished but also to meet the economic development needs of any economically distressed areas.

It was my opinion then, as it continues to be now, that mere governmental action—even combined Federal, State, and local action—would be insufficient and inadequate to meet the demands of Appalachia and its people.

With the failure of the leadership of the subcommittee and the full committee to order an on-site investigation of the region, with the assistance of my own office staff and the minority staff of the full committee, and at my own expense, I made an inspection tour of areas of the region and conducted unofficial hearings of my own. At that time I stated my feelings, based on what I had been in the region, that the proposals were not going to meet the long-range needs of the region and its people.

The Appalachian regional development program proposed in 1964 was not enacted by the Congress that year for various reasons, not the least of which was concern over the programs proposed and the approaches to the problems of the region embodied in those programs.

The following year, however, the Appalachian Regional Development Act of 1965 was enacted. With great fanfare and public pronouncements, the President signed that act into law. The various instrumentalities of the Federal and State Governments involved in the regional development program were "off and running" to cure the ills of Appalachia and its people.

During the opening days of this Congress, the President recommended the extension of the Appalachian regional development programs, and the proponents of the legislation soon came to Capitol Hill to plead their respective cases for the proposed extension of the program beyond the authorizations for appropriations for nonhighway programs provided for in the 1965 act and to argue for certain changes in the 6-year highway program.

As a member of the Committee on Public Works, which has jurisdiction over this program, as the ranking minority member of the Ad Hoc Subcommittee on Appalachia, and as a member of the House-Senate conference committee on the bill, I examined this legislation in the greatest of detail, not only for the changes which the administration was recommending in the existing program but also for the long-range view of what way to best solve the problems of the region.

I state this because I feel that if the specific programs embodied in the existing law and those proposed in the 1967 amendments are examined just in and of themselves, a fairly convincing case for their enactment and carrying out might be made. But if the examination is one of the long-range needs of the region, I personally feel that one is hard put to support the program, and, consequently, I did not.

In my opinion, the Appalachian program is, as it is now constituted and administered, unfair to the rest of the Nation. It smacks of what I have referred to as "creative favoritism." It is a program which, in the long run, will not work. But that is not the immediate issue to which I address myself this afternoon.

PROMINENT WRITER SAYS APPALACHIAN PROGRAM A FAILURE

Mr. Speaker, no greater evidence could have been advanced to substantiate my reservations, and those of most of the minority Members of this body and many of the majority Members, about the effectiveness of the present program than that which appeared in the form of a feature editorial article in the Washington Post, of last Sunday, October 8, 1967, only a few brief days before the bill was to be signed into law, thus giving the program the green light for at least another 2 fiscal years.

Mr. Richard Harwood, a Post staff writer, has addressed himself to the problems of the Appalachian region and its people more than once during the past several years. In this revealing and disturbing article, "The Jelly Hasn't Helped Appalachia," Mr. Harwood goes right to the core of the long-range problems of the region. The implications that the present Appalachian regional development program is not working not only pervades the entire article, but the explicit examples—case after case—of the program not working are also set forth.

I quote from the article:

> Despite President Johnson's assertion in 1965 that "the dole is dead" in Appalachia, welfare costs in Kentucky have doubled since 1960. The number of welfare cases has risen 50 percent. There were 22,000 more applicants for welfare last year than the year before, an increase of 60 percent. * * *
>
> The industrial renaissance which was to have eliminated the dole and was to have been brought about by the Area Redevelopment Administration, its successor agency, the Economic Development Administration, and the Appalachian Development Act of 1965 has not materialized.

The author continues, and here, I think, he hits at one of the core issues confronting the region:

> New roads are being cut through the mountains, little airports are being carved out of the hills, dams are being built to control the floods. But the factories are still missing.
>
> There are still more people than jobs. The unemployment rate in eastern Kentucky averages 10 percent (two and a half times the national average) and in some counties ranges up to 33 percent.

Mr. Speaker, Mr. Harwood has hit the nail on the head, "The factories are still missing." Unless those administrators, planners, and policymakers within the Federal and State Governments, who have upon their shoulders the responsibility of making this program a successful one or of bearing the scorn of allowing it to become an unsuccessful, run-of-the-mill, make-work failure, just with a different coating to sell it to the American people and their representatives in Congress as being somehow different from the long chain of dismal, make-work failures over the past three decades, realize that only with the engendered support of the private sector of our economy and the independent sector of our society can the people of the region benefit to the fullest and enjoy the fruits of the rest of the Nation, I am afraid this program will, in fact, be charted by the historians of tomorrow's generations as just one more in a series of disturbing failures of the Federal Government to genuinely help the economically distressed.

I feel no need, at this point, to address myself to any political considerations which might have been entertained by the administration as it relates to these poor, backward areas which seek honest hope so desperately.

And what about these economic policy planners? Of them, Mr. Harwood says, and I quote:

> You can't even get the Appalachian reformers to live here. They want to fly in and out the same day. Where is the Appalachian Hospital Commission located? In Lexington. Where is the Appalachian Regional Commission? In Washington.

Mr. Hardwood was quoting in this instance from an interview with a newspaper published in the region.

And what about assistance that has come to Appalachia? Has it been in the form of long-range jobs or short-range, makework Federal dole projects? Of this, the author states:

> Phil Smith, Breathitt County's leading banker, is an example. "Bank deposits in this country have tripled since 1960," he says.
>
> "I'm doubling the size of my bank because we just can't handle the business in the space we've got. You can't get into the lobby to cash a check on the first of the month. It's too crowded."
>
> "Where do the business and the money come from?"
>
> "From these Government programs, of course," says Smith. "It's like living in a socialist state. Since Medicare started, the drug stores can hardly fill the orders. The doctors are so busy it's hard to get an appointment.
>
> "The grocery stores are cashing in on the food stamps. My own business is the same way. From 85 to 90 percent of the checks we clear are Government checks. I don't like it, but we've gone too far now to turn back."

Mr. Speaker, I take issue with whether or not the courses of action there have gone too far to now turn back, but I think this emphasizes, as clearly as anything ever put before our subcommittee or committee, the nature of the assistance these people are receiving. It is short range. It is a dole. When government takes from one man to bestow on another, it diminishes the incentive of the first, the integrity of the second, and the moral autonomy of both. So what is the present program doing to the people of Appalachia? I think the answer is obvious.

And what about the indecision of the policy planners in Washington? Of them, Mr. Harwood says:

> It is often said that studies are a substitute for action. But the study syndrome is also a reflection of the confusion in Washington over what is to be done and by whom. As a result of this confusion, public policy seems to be going in all directions.

Mr. Speaker, the full contents of Mr. Harwood's article are most striking. Under unanimous consent, at this point in my remarks, I include the text of this accurately disturbing article. I think

every Member of this body, every staff member of this Congress, every economic and social policy planner, every administrator and official within the executive branch, and every American concerned with the problems of Appalachia should read it, and read it carefully. Most importantly, they should take note of what this article portends of the future of the program itself for the region and its people.

The article follows:

[From the Washington Post, Oct. 8, 1967]

THE JELLY HASN'T HELPED APPALACHIA

(By Richard Harwood)

Seven years ago, presidential candidate John F. Kennedy discovered poverty in Appalachia. That discovery led to a bewildering outpouring of public and private benevolence dedicated to the social and economic reformation of a vast mountain region.

Federal billions were committed to the task. Laws were passed, new agencies, councils and boards were created, great plans and studies were commissioned, visionary programs were christened. Social engineers, welfare workers, missionaries, Ivy League professors, college dropouts, unemployed civil rights workers, consulting firms, VISTA volunteers, Peace Corps trainees and apostles of the New Left flocked to the mountains.

"This conglomeration," the Kentucky humorist and journalist Allen Trout observed last week, "came upon us like a mass of jelly the size of Mt. Everest. It has swept over towns, people, rivers, knobs and institutions. Everything in its path has been covered with jelly. But after it passes, nothing has changed. The mountains are the same."

The poverty that shocked Sen. Kennedy in 1960 endures. Family incomes and living standards in the coves, hollows and old coal camps remain substantially lower than those of Soviet factory workers and Saigon hucksters.

In one four-county area in Appalachian Kentucky—Breathitt, Lee, Owsley and Wolfe—75 per cent of the families have incomes of less than $3000 a year. Nearly 40 per cent have incomes under $1000. No area in Mississippi (and no Northern ghetto, for that matter) is quite so poor.

Despite President Johnson's assertion in 1965 that "the dole is dead" in Appalachia, welfare costs in Kentucky have doubled since 1960. The number of welfare cases has risen 50 per cent. There were 22,000 more applications for welfare last year than the year before, an increase of 60 per cent.

The pattern was symbolized in Jackson, Ky., last week by an old man and a teen-ager who could have been his grandson. They walked down a corridor of the Breathitt County courthouse together, pushing brooms for pay under a make-work program.

The industrial renaissance which was to have eliminated the dole and was to have been brought about by the Area Redevelopment Administration, its successor Agency, the Economic Development Administration, and the Appalachian Development Act of 1965 has not materialized.

THIRTY-THREE PERCENT IDLE

New roads are being cut through the mountains, little airports are being carved out of the hills, dams are being built to control the floods. But the factories are still missing.

There are still more people than jobs. The unemployment rate in eastern Kentucky averages 10 per cent (two and a half times the national average) and in some counties ranges up to 33 per cent.

"We thought we were going to get a big gear factory up here a few months ago," said Tom Gish, publisher of the Mountain Eagle at Whitesburg. "It was all set until the plant manager and his wife came up to look around. They didn't like what they saw. The plant is being built in the Bluegrass.

"You can't even get the Appalachian reformers to live here. They want to fly in and out the same day. Where is the Appalachian Hospital Commission located? In Lexington. Where is the Appalachian Regional Commission? In Washington."

Poverty is not the universal condition even in the most depressed rural counties, of course. The pattern of income distribution can be depicted as a pyramid of almost perfect symmetry.

At the bottom are 60 to 70 per cent of the families with incomes under $3000. At the top are 2 to 5 per cent of the families with incomes over $10,000. They represent the mountain middle class—Government workers, office holders, doctors, dentists, coal operators, merchants and bankers who have prospered from Government programs in Appalachia.

BANK DEPOSITS TRIPLED

Phil Smith, Breathitt County's leading banker, is an example. "Bank deposits in this country have tripled since 1960," he says.

"I'm doubling the size of my bank because we just can't handle the business in the space we've got. You can't get into the lobby to cash a check on the first of the month. It's too crowded."

Where do the business and the money come from?

"From these Government programs, of course," says Smith. "It's like living in a socialist state. Since Medicare started, the drug stores can hardly fill the orders. The doctors are so busy it's hard to get an appointment.

"The grocery stores are cashing in on the food stamps. My own business is the same way. From 85 to 90 per cent of the checks we clear are Government checks. I don't like it, but we've gone too far now to turn back."

Contrasts between the middle class and the underclass are apparent everywhere. In counties where 85 per cent of the housing is substandard by Government definition, handsome new schools, office buildings for the bureaucracy, modernistic courthouses and $40,000 to $50,000 homes are springing up.

The coal industry is having the biggest year in its history in Kentucky although mine employment has dropped 75 per cent in the past 20 years as a result of automation. Barely 25,000 miners are employed in the entire state.

STOPS AT PLATEAU

Edward Safford, director of the Office of Economic Opportunity's Community Action Program in Letcher, Leslie, Knott and Perry Counties, asks and answers a central question:

"Who's winning the war on poverty? The local Establishment—the middle class. . . . All we're doing for the poor is making their poverty more bearable."

With certain intellectual variations, that is a view shared by such diverse personalities as banker Smith, academicians of the state government and militant leftists of the Appalachian Volunteers who are trying to organize the mountain poor into an effective political force.

To Smith, the principal effect of Federal programs in recent years has been to strengthen the position of his old political adversaries, the Turner family, which has controlled the politics (and most of the payrolls) of Breathitt County for years. Through its control of the local government, including the school system, it controls "antipoverty" money and the patronage that goes with it.

Ervine Turner, the patriarch of the clan, is the circuit judge. His wife is the school superintendent. A son is the state senator. A daughter is on the Agricultural Stabilization Committee which handles farm subsidies for Kentucky. A cousin is the county judge. A niece is the acting postmaster.

A nephew is an official of the Department of Housing and Urban Development in Atlanta. A son-in-law owns the county's only newspaper and has been board chairman of the Community Action Program. An in-law until recently was associate director of the poverty program. The only strip-mine operation in the county is on coal lands owned by the Turners. They also own the county's new bank.

A MILITANT HANDFUL

Similar though smaller dynasties are found in most of eastern Kentucky's counties. They have been the prime targets of the Appalachian Volunteers, a handful of militant young college students who have been in the mountains since 1964 under the financial auspices of the OEO in Washington.

For their pains, they have been accused of immorality and lawlessness. Gov. Hulett Smith of West Virginia has expressed concern over their alleged "misconduct." Gov. Edward Breathitt of Kentucky has charged that they are "discrediting the whole poverty program" and has demanded that OEO Director Sargent Shriver cut off their money and get them out of Kentucky.

The Turners' newspaper in Jackson accuses them of planting "seeds of anarchy" in their "lust for power." A local grand jury indicted an AV organizer for attempting to "overthrow the government of Pike County"; the formal charge was "sedition." (It was thrown out by a three-judge Federal court.)

Yet they are a minuscule force. Only 23 AVs work in Kentucky, of whom 12 are native sons and daughters. Insofar as they have a coherent program, it is modest: to encourage the poor to demand better treatment at the hands of welfare authorities and other officials; to force improvements in the school system, and to oppose destructive strip-mining.

WASHINGTON A TARGET

Other critics of the poverty war have other targets. David Spaeth, an Appalachian consultant employed at the Spindletop Research Center in Lexington, aims at Washington.

"The Federal bureaucracy," he says, "does not have the answers to the economic problems of Appalachia."

State officials take the same view. Washington, they say has "imposed" impractical programs on the region and has ignored the local "power structure." In their view, Shriver's OEO takes a "Band Aid" approach and regards dynasties like the Turners as "dirty birds" responsible for the plight of the poor.

"These Federal agencies," says Robert Cornett of Kentucky's Area Development Agency, "would like to take over these people and make them their private fiefs. They want to build their own power base and make themselves look good."

Editor Gish at Whitesburg has somewhat the same point of view. "The old colonialism in eastern Kentucky," he says, "was imposed by the coal industry. The new colonialism is imposed by the Federal bureaucracy."

However that may be, it is a fact that the transformation of Appalachia has become a rather large business for the planners and reformers. Thousands of Federal jobs have been created. Universities and private contractors have been paid millions to analyze and plan for the region. The bibliography of Appalachian studies complied by the Appalachian Regional Commission runs to 582 pages. And there is no end in sight.

CONTRADICTING POLICIES

It is often said that studies are a substitute for action. But the study syndrome is also a reflection of the confusion in Washington over what is to be done and by whom. As a result of this confusion, public policy seems to be going in all directions.

OEO is accused, fairly or not, of trying to

overthrow the Appalachian "power structure." The Appalachian Regional Commission is said to be trying to preserve it and "work from within."

State officials are trying to halt the migration from the mountains and build up the small towns as "growth centers." Some Federal policies have precisely the opposite objective; they encourage outmigration and public investment in the metropolitan areas on the fringes of the mountains.

The Appalachian Commission's staff director, Ralph Widner, pointed up the plight of the planners recently. "You look around for new ideas," he said, "and there aren't any. It's always the same four or five people talking to each other."

In that sense, Appalachia is merely another example of the gap between performance and good intentions.

Mr. Speaker, the Appalachian regional development program does not appear from this article, as it does not appear from the pages of history, to be the real answer to the problems of the region and its people.

PRESIDENT SHOULD ORDER REDIRECTION OF PROGRAM

The President of the United States should immediately direct those within the executive branch responsible for this and related economic development programs to reevaluate their programs, to make every attempt possible to bring the private sector of the economy and the independent sector of the society into the development of the region. The temporary disruption might be substantial, but the long-range benefit to the region and its people would by far compensate for the disruption in the thrust of the programs. The President should direct this to be done immediately, and he ought to assume the responsibility himself of transmitting to the Congress appropriate recommendations for incentives to bring industry, the long-range builder of all economies, into the Appalachian region. As the President of those people of Appalachia, he owes it to them. As the President of all the people, he owes it to the Nation.

Mr. Speaker, let us answer the needs of this region through the private and independent sectors. They can do the task which needs to be done, and far more efficiently and effectively than can the bureaucracy. That is the only long-range answer. That is the "American" answer.

THE IOWA PLAN FOR GROWTH AND PROGRESS IN HIGHER EDUCATION

Mr. SCHWENGEL. Mr. Speaker, educators and thoughtful people know that we live today in an America more conscious of its many flaws than ever before. Whatever has caused this new social awareness—be it the advance of technology, the rise of instantaneous communication, the frustrations of our younger generation, the worry about bigness, or even affluence itself—it has become indisputably clear to Americans in the 1960's that the blessings of our way of life are not unmixed. Despite an ever-increasing prosperity, we in the United States have begun to open our eyes to the many imperfections that blight our record of growth and progress. This decade can be characterized by a growing consciousness of such social ills as unemployment, substandard housing, disease and starvation in our midst, and the entire complex of issues that surround poverty in America.

It is my conviction that future generations will look back to the 1960's as the decade which began the long painful struggle to assure civil rights and to work more seriously for equal opportunity for all Americans. It is this decade that has turned its attention again to the future—showing concern for the development of new nations, and the exploration and use of outer space. The most farsighted among us have begun to examine the long-range problems of social adjustment—what to do with leisure time, how to make our rich culture accessible to everyone—all in search of more meaningful ways to enjoy the Biblical promise for the more abundant life.

Out of this new awareness of social problems has come the generally accepted view that we are dealing with issues that do not have easy solutions. But despite conflicting ideas as to the proper use of various human and material resources, there is one factor that stands out as an integral part in the solving of nearly all our social difficulties. That vital part is education.

Throughout our history education has been considered essential to the viable functioning of representative government. Since colonial times, education of the young has been an acknowledged public responsibility. Today, the responsibility weighs upon us more heavily than ever. To the gifted, education supplies the tools necessary to resolve the problems that beset us. To the underprivileged, it provides the means to escape economic and cultural hardship. For all, education is the key to a richer, fuller life experience.

Our educational needs have grown in proportion to the complexity of our lives. As technology has increased, there has been an accompanying explosion of knowledge in all fields, especially in the sciences. Those who limit their goal to the receiving of a high school diploma have already been left far behind. More and more, education beyond high school is a necessity. It is no more a luxury.

This is confirmed by the fact that 85 percent of all the scientists and engineers who ever lived throughout history are alive today. The writings from their research fill 35,000 technical journals with a literature growing at a rate of over 1 million articles a year. They offer promise of even more exciting discoveries that could be aided and abetted by proper evaluation. Answers are being sought to basic questions about the composition of the atom, the origin of our solar system, the genetic code that controls heredity, and the processes of life itself. The laser, the computer, new metallic or ceramic alloys will put man on the moon and probe the ocean depths.

In 1965, 2,311,429 college age youths attended institutions of higher education. Today the enrollment is 6,971,000 and by 1975 it is expected to be 9,172,000—a conservative figure, other estimates range to 12 million. Obviously, the quality of one's job opportunities will come to depend increasingly on one's educational background, but even more importantly, education beyond high school will become ever more significant in the realization of one's own human potential. Education is the key to developing to the fullest an individual's capacity for reason, reflection, and the development of the abilities that are essential to the exercise of one's responsibilities as a citizen.

Yet with an ever-growing demand for higher education, the costs of schooling are beginning to rise beyond the reach of the average American family. Tuition costs alone at private universities average over $1,200. The total cost of attendance at a private university—including tuition, books, room and board, and additional expenses—now exceeds $3,000 on the average, and the comparable figure for public schools is more than $2,000. Furthermore, since World War II, costs have risen at a rate of about 4 percent per year, and there is no relief in sight. The prescription is clear. What is needed is a new and bold approach to meet the need. A program that will provide assistance to all for education beyond high school and especially to the families of students in higher education. We need a national plan that also provides the kind of massive support to educational institutions that is necessary to meet the growing demands for facilities.

Broadly outlined, the Iowa plan consists of three phases. Phase 1 would grant to parents a $50 tax credit each year for each child until he or she reaches college age, providing that an educational certificate is purchased at a bank, approved savings and loan association, insurance company, or some other financial institution. Money set aside in this manner would earn interest at a rate determined by law and would grow to a fund of $1,200 to $1,400 by the time the child entered college. This would provide $300 to $350 assistance each year to parents financing their child's education.

Phase 2 would grant a $200 yearly tax credit to the person sustaining the major burden of a student's expenses while in college. This would raise the total support available to a student to a minimum of $2,000 over a 4-year period.

Phase 3 would require that a specified percentage of the money set aside for educational investment be used by private banks and other financial institutions for the purpose of loans to educational institutions and particularly to students who need to borrow money for their education. The management of this revolving fund would be the task of a specially constituted State board, which would review the educational needs of the State, and approve loans to students and institutions.

Thus, the Iowa plan assists those who bear the burden of college costs with direct tax credit, and at the same time ample funds are made available to meet the growth needs of the colleges, universities, and vocational schools on very easy terms. Let us examine the plan in closer detail.

The money set aside each year under phase 1 would be deposited in a restricted educational account at any private financial institution meeting the requirement of law. The depositor would receive

educational investment certificates valued at $50 per child per year. The amount of money paid for such certificates would be allowed as a credit on the purchaser's Federal income tax. For example, if a man buys three certificates, one for each of his three children, it costs him $150. Let us assume that his Federal income tax, calculated after all deductions are made, comes to $600. He then subtracts the $150 from his total tax liability of $600 and pays the Government $450. In other words, instead of paying the full $600 to the Government, $450 is paid in taxes and $150 is put away for the education of his children.

The certificates would ordinarily be purchased by the beneficiary's parents or legal guardian. But in the event that the parent or guardian did not have sufficient tax liability to purchase a certificate, a relative or some other designated person could make the investment and receive tax credit.

The certificates could be redeemed only when applied to the payment of tuition, books, room and board expenses at an approved institution of higher education. An approved institution is taken to include colleges, universities, junior colleges, professional schools, trade schools, or any other educational institutions beyond the high school level. The money in the student's restricted educational account will be distributed equally over a 4-year period, paid directly to the institution at which the student is enrolled.

The Iowa plan which I proposed is a bold, modern approach to the financing of higher education. It provides much needed help to families at all income levels. It makes possible additional vital support to educational institutions beyond high school. And it avoids massive Federal control which discourages the educational system of its necessary independence and diversity.

As has been shown, the Iowa plan is designed to alleviate the burden of college costs through a program of tax credits on Federal income tax, the fairest and most comprehensive way to provide needed assistance to students and institutions. Such a system of tax credits is not without precedent. In 1962, 1964, and again in 1967, the Congress enacted legislation providing for substantial tax credits for investment made by businesses in new plants and equipment. The Iowa plan would extend the tax credit principle to a far more important type of investment in education—it becomes an investment in our human resources.

The principle of tax credit for education has the support of Senator ABRAHAM RIBICOFF, the former Secretary of Health, Education, and Welfare, who feels that "tax credit for higher education is a must."

Herewith we present a complete plan for the solution of problems for both the student and those who want to serve the student in the educational facilities for education beyond high school. It is a viable plan because it will grow with an educational interest and desire. It is a plan that promotes rather than restricts destiny. It is a plan to avoid the church-and-state conflicts and make its advantages available to all types of schools who meet the qualitative tests. It is a plan that extends and encourages a broad interest in education.

"It is our business to make other men wise and better as we can find or make opportunity," is an admonition by a great philosopher. With this new approach we encourage a response to this challenge and we quicken the interest as well as give encouragement to those who are now frustrated in their attempt to move forward toward the ultimate and adequate solution to the problems that are presented in this age of technology.

We invite your questions and comments and most of all we enlist your support.

Mr. RUMSFELD. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I shall be glad to yield to the distinguished gentleman from Illinois.

Mr. RUMSFELD. Mr. Speaker, I wish to congratulate the distinguished gentleman from Iowa for his leadership in this exceedingly important area.

Mr. Speaker, last weekend I participated in the ground breaking ceremonies for the William Rainey Harper Junior College in Palatine, Ill. This is a new institution which is presently occupying temporary quarters.

In view of the statistics which the distinguished gentleman from Iowa has just given on the number of young people who will reach college age in the coming years, I am sure the gentleman will agree with me that the junior college concept is an exceedingly sound one, and one which the people of this country must encourage and foster.

However, Mr. Speaker, several individuals, after the ceremonies, came up to me and said, "Congressman, when will we see some assistance through a tax credit for the parents of young people who are attending college?"

As the distinguished gentleman from Iowa previously stated, legislation along this line has been introduced upon several occasions. In fact, I have introduced legislation bearing upon this subject since having been elected to the Congress in 1962. Also, my predecessor had introduced legislation to provide in effect the remedies which are sought to be achieved. I must say, however, the bill which I introduced was not as refined as is the one which the distinguished gentleman from Iowa is proposing, and I commend the gentleman for it.

However, the fact is that this type of legislation as we have been talking about passed the other body on at least two separate occasions. But, to my knowledge there have never even been hearings held on the subject in the House of Representatives.

Mr. Speaker, I would say to the gentleman from Iowa that I am delighted the gentleman has again called the attention of the House to the need which exists in this area and as to the reasonableness of this proposal.

Our country has seen fit to provide investment tax credits for plants and facilities to encourage the modernization and updating of these facilities. I ask the question, Cannot the House of Representatives during this session hold hearings and recommend a bill to provide for a tax incentive to encourage the academic and intellectual development of the young people of this country?

Mr. Speaker, I certainly wish to associate myself with the very fine thoughts which have been expressed by the distinguished gentleman from Iowa upon the occasion of this special order.

Mr. SCHWENGEL. I thank the very distinguished gentleman from Illinois [Mr. RUMSFELD] and I want to assure the Members of the House that I am keenly aware of the gentleman's contribution and interest in this field.

Mr. Speaker, in answer to the question that was raised by the party who approached the gentleman from Illinois, let me say this: We answer that question only when the Congress responds with an affirmative program designed and looking toward the solution of this problem. It is my opinion that I know whereof I speak. I feel that I am conversant and cognizant of the problem. Recently, I conducted a survey in the congressional district which it is my honor to represent and in that survey I put the question of a tax credit versus Federal programs in the questionnaire which I submitted. To my complete amazement I found that 72 percent of the people who responded—and over 15,000 of the people did respond—they were very much in favor of the tax credit approach; while 12 percent were in opposition.

So, Mr. Speaker, the answer is when the Congress responds to the people's needs and wants in this regard we should have this approach. I hope it is not delayed too long.

COMMITTEE ON RULES—PERMISSION TO FILE PRIVILEGED REPORTS

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER pro tempore (Mr. ROGERS of Florida). Is there objection to the request of the gentleman from Indiana?

There was no objection.

COLUMBUS DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 10 minutes.

Mr. RYAN. Mr. Speaker, Columbus Day honors more than one man. It honors every Italian who has come to our shores since that first brave and persistent explorer. It further honors and commemorates the immigrants from every nation, reminding us of our heritage. Except for the descendants of the American Indians, we are all sons of immigrants.

Our greatest strength has been that, ever since the first settlers, we have been able to live together in relative harmony and build a nation together. Each of the groups that came did its part and gave its best. The Italians who came to America seemed determined to live up to the standard that Columbus set for them. From the first days of our discovery, the sons of Italy were to play an important

role and become an inseparable part of America.

After Columbus returned to the Old World with the news of his discovery, which he thought to be an unexplored section of Asia, other explorers and eventually settlers began to move westward. The lure of the new land, the hope of freedom, and the spirit of adventure drew many to the New World. Many of the first of them were Italians.

Giovanni Cabota, known in most of our histories as John Cabot, was the first European to explore the mainland of the North American continent. The Italian explorer, Amerigo Vespucci, who explored the coast of South America shortly after Columbus, was among the very first to return to Europe and publish the theory that this was a new continent and not part of Asia. His writings gained him such admiration that cartographers named the new land for him.

Giovanni d'Verrazzano discovered New York Bay; Malaspina explored Alaska, Vancouver, and the coast of California. Fra Marco da Nizza led Coronado's expeditions into the West. Enrico Tonti built the first ship to sail in the Great Lakes, and Alfonso Tonti aided Cadillac in founding Detroit.

Some of our earliest settlers came from Italy; in fact, there were Italians building a glass factory in Virginia before the Pilgrims landed in Massachusetts. Other settlements were made in Delaware, New York, South Carolina, Florida, and Georgia.

When the tyranny of England began to stir the spirit of revolution in the Colonies, Filippo Mazzei was among the first men to urge publicly a split with England. Invited here from Italy by his friends, Jefferson and Franklin, Mazzei wrote articles advocating independence.

One Italian, William Paca, of Maryland, signed the Declaration of Independence, and several hundred Italians gave their lives in the Revolutionary War.

As the Nation grew, the Italians continued to befriend the new country. The money and assistance which Francesco Vigo provided Gen. George Rogers Clark enabled Clark to retain for America what is now Ohio, Indiana, Wisconsin, Illinois, and Michigan.

Over 200 Italian officers served in the Civil War. Italian Americans distinguished themselves in both World Wars; several were awarded the Congressional Medal of Honor for their outstanding bravery and service to their country.

The list of distinguished Italian Americans grows with each generation and swells the roles of every profession and walk of life. In commerce and industry, names like Amadio P. Giannini, founder of the Bank of America; Sebastiano Poli, of Fox Movie Corp.; and Gino Paulucci, of Chun King Corp., stand out. These feats are especially noteworthy when it is remembered that two of these men began life as the sons of poor immigrant parents.

In politics and government, Italians have distinguished themselves as U.S. Senators and Congressmen, as jurists, mayors, and Governors. Anthony Celebrezze became a member of the President's Cabinet as Secretary of Health, Education, and Welfare.

In the field of music, Arturo Toscanini, Enrico Caruso, Ezio Pinza, and Anna Maria Alberghetti have enthralled American audiences. Popular singers and actors such as Frank Sinatra, Tony Bennett, and Perry Como lead the long list of Italian Americans who have brightened the land with their entertainment.

In the field of sports, the hall of fame sounds like the Rome telephone book.

In addition to the well-known figures in nearly every field, thousands of Italians, known only to their neighbors, have helped to make America the Nation it is today. Honest, hard work, careful attention to their family life, and a tremendous tolerance, often in the face of tremendous intolerance directed at them, have made the Italians among our most valuable citizens.

The outstanding record of Italian immigrants in America, and the injustice which now forces prospective Italian immigrants to wait at least 10 years before they are granted visas to join members of their families in the United States under fifth preference has prompted me to introduce H.R. 12274. This bill would compensate for the unfair and cumulative results of the old national origins quota system and place Italian applicants in relatively the same position as other aliens. In keeping with the spirit and purpose of the Immigration and Nationality Act of 1965, it will help to reunite families.

This Columbus Day is an appropriate time for us to consider the Italians who have followed Columbus to the New World and to honor all those who explored and settled this land. We must not forget the great debt we owe to each of these brave men and women.

REPORT ON THE INTER-AMERICAN FOREIGN MINISTERS CONFERENCE ON CUBAN SUBVERSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama [Mr. SELDEN] is recognized for 30 minutes.

Mr. SELDEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SELDEN. Mr. Speaker, from September 22 to late on the night of September 24, delegations from member nations of the Organization of American States convened at the Pan American Union here in Washington. Twenty of the 21 member nations were represented by their Ministers of Foreign Affairs, including Secretary of State Rusk. Haiti's Ambassador to the OAS served as his country's delegate.

The high-level conference, the 12th Meeting of Consultation of Foreign Affairs, was convoked in response to a request from Venezuela under article 39 of the Charter of the Organization of American States. Article 39 provides that:

> The Meeting of Consultation of Foreign Ministers shall be held in order to consider problems of an urgent nature and of common interest to the American States.

The foreign ministers assembled to consider the following official agenda:

> The situation confronting the member states of the Organization of American States as a consequence of the attitude of the present Government of Cuba, which is carrying out a policy of persistent intervention in their internal affairs with violation of their sovereignty and integrity, by fostering and organizing subversive and terrorist activities in the territory of various states, with the deliberate aim of destroying the principles of the inter-American system.

It was my privilege to attend the 12th Meeting of Consultation as a congressional adviser to the U.S. delegation. The other congressional advisers who were designated to attend included Representative WILLIAM MAILLIARD, Republican, of California; Senator WAYNE MORSE, Democrat, of Oregon; and Senator BOURKE HICKENLOOPER, Republican, of Iowa.

I should like now to report the outcome of the conference.

From the outset of the conference there was never any question of Cuba's guilt. The report submitted earlier by the five-man committee appointed to investigate Venezuela's charges had stated among its conclusions that:

> It is clear that the present Government of Cuba continues to give moral and material support to the Venezuelan guerrilla and terrorist movement and that the recent series of aggressive acts against the Government of Venezuela is part of the Cuban Government's continuing policy of persistent intervention in the internal affairs of other American states by fostering and organizing subversive and terrorist activities in their territories.

Furthermore, the committee responsible for preparing a report on events related to the so-called Tricontinental Conference stated that the First Latin American Solidarity Conference, held in Havana from July 31 to August 8, 1967, "represents a further step in the efforts of communism and other subversive forces in the hemisphere to promote, support, and coordinate guerrilla, terrorist, and other subversive activities directed against established governments" and gives "testimony once again to the efforts of the Government of Cuba to control and direct these subversive activities in our hemisphere."

Although the charges which led to the conference were brought by Venezuela, the Bolivian foreign minister also made a graphic presentation of Cuban intervention in his country. He displayed forged passports, pictures of the guerrillas taken by each other in their hideouts, and operational orders issued to the guerrillas, all captured by Bolivian authorities. The Bolivians were able to identify as Cuban Communists a number of those appearing in the captured photographs and passports by comparing the photos with others appearing in Cuban publications.

Especially dramatic was the disclosure of the presence in Bolivia of Che Guevara, Castro's old comrade-in-arms. The Bolivian Foreign Minister projected enlargements of the captured photographs

in which a bald, bespectacled man appears. The foreign minister then showed a captured Uruguayan passport containing a photograph of the same bald, bespectacled gentleman. Comparison of the facial features, especially of the prominent ridges in the forehead, with old pictures of Guevara left little doubt that the man in the pictures was indeed the mysterious Che. In addition, the Bolivians found a copy of the book by Jules Regis Debray, the French Marxist and confident of Castro who is now on trial in Bolivia, with notations in the margins. The writing was identified as Guevara's. The disclosure of the Bolivian foreign minister was substantiated earlier this week when Guevara was killed by Bolivian troops in a skirmish with Communist guerrillas.

The Bolivian Government is to be commended for its successful efforts to assemble the necessary evidence for its presentation to the OAS in the few short weeks since the material was discovered.

Having established Cuba's involvement in the guerrilla and terrorist movements in Latin America, the foreign ministers had to determine what the OAS could do to bridle Castro and his hemisphere troublemaking.

Twice before in the past 5 years the OAS has voted sanctions against Cuba and its Communist government—in 1962, when it expelled Cuba from the OAS, and in 1964, when the OAS called for all members to break diplomatic and economic ties with Havana.

Shortly before the conference, I addressed the House of Representatives in some detail with respect to the circumstances that led to the call for a meeting of consultation. In my remarks of September 20 I reviewed the measures that the OAS had taken previously to stem Cuban subversion, and I noted a prevailing skepticism in the press and diplomatic circles with regard to what further steps the OAS could take to halt Cuban provocations. I stated, however, that I was convinced that the OAS had not exhausted all collective measures, short of armed force, to reduce Cuba's capacity to export violence.

What, in fact, did the conference accomplish?

The foreign ministers adopted three substantive resolutions, resolutions III, IV, and V. Resolution III contains 15 separate provisions. At the conclusion of my remarks I shall insert the entire final act of the 12th Meeting of Consultation.

Resolution III, paragraph (1), forcefully condemns the Government of Cuba for its support of armed bands and other subversive activities directed against other American countries. Twenty in favor, none against, one abstention—Mexico.

Resolution III, paragraph (2), calls upon friendly countries to restrict their trade and financial operations with Cuba and sea and air transport with that country. Sixteen in favor, none against, five abstentions—Mexico, Chile, Ecuador, Colombia, and Costa Rica.

Resolution III, paragraph (3), requests the governments that support the Afro-Asian-Latin American Peoples' Solidarity Organization to withdraw their adhence from the AALAPSO and from the Second Tricontinental Conference scheduled to be held in Cairo in January 1968, and declares that support by countries outside the hemisphere "to activities conducive to subversion in Latin America jeopardizes solidarity among the developing countries, the increasing importance of which is particularly reflected in the efforts being made to reorganize international trade on more equitable bases." The last phrase is a not-so-veiled hint that the Asian and African nations have more in common with the American nations that are seeking peaceful development than with Castro's destructive ideology. Twenty in favor, none against, one abstention—Mexico.

Resolution III, paragraph (4), calls upon the members of the OAS to express to Communist nations that their support of Cuba tends to stimulate the interventionist and aggressive activities of the Cuban regime and that the cause of peaceful relations will be jeopardized so long as those activities continue. This resolution, in effect, warns the Soviet Union and Eastern European bloc countries, which are seeking to expand their trade with the American nations, that Castro's subversive tactics could hamper the establishment of such relations. Eighteen in favor, none against, three abstentions—Mexico, Chile, and Ecuador.

Resolution III, paragraphs (5), (6), (7), (8), and (9), refers to the tightening of security measures within individual countries as well as the strengthening of controls on men, money, and arms to and from Cuba, and more effective coordination of efforts aimed at preventing such movements. Paragraphs (6) and (7) were adopted by a vote of 20 in favor, none against, and only Mexico abstaining. Chile joined Mexico in abstaining on paragraphs (5), (8), and (9) on juridical, not substantive, grounds; in this case, the paragraphs mention recommendations of the special committee to study Communist efforts in the hemisphere, the Lavalle Committee, the creation of which Chile has always contended was contrary to the OAS Charter.

Resolution III, paragraph (10), recommends that the government of the member states decline to ship any governmental or government-financed cargo in any vessel that has engaged in the Cuban trade and, in addition, that they refuse the supply of fuel to any such vessel in their ports. Sixteen in favor, none against, five abstentions—Mexico, Chile, Ecuador, Colombia, and Uruguay.

The remaining five paragraphs of resolution III, which were adopted with only Mexico abstaining, are reiterations of general inter-American policy with respect to economic, social, and political development, and procedural matters.

It seemed to me that the foreign ministers did exhibit refreshing unity and understanding with respect to the perils of Cuban subversion. Gone entirely was the tendency of some earlier OAS conferences to regard Castro as a U.S. problem. Gone too was the frustrating reluctance on the part of some member nations to recognize that Castro's subversive tactics constitute aggression as surely as armed invasion, hence calling for inter-American collective action.

In debate, the inclination of delegates to line up in what the press used to characterize as a "hard line" and a "soft line" toward Cuba, disappeared. While there were differences of opinion with respect to a number of measures, as reflected in some abstentions, the divergencies were largely a matter of degree and not because of substantive disagreement.

In short, sentiment to condemn Cuba for aggression was overwhelming. There was not a single negative vote on any of the provisions of the final act and, despite some abstentions on individual measures, the final vote was 20 in favor, with only Mexico abstaining, on traditional and legalistic grounds.

Even Mexico budged somewhat from its intransigent position. In his final address, the Mexican Foreign Minister once again expressed the Mexican view—born of Mexico's revolutionary experience—that revolutions ought to be allowed to run their course without outside pressures. But Mexico voted with all the other member nations on the separate resolution calling upon members of the OAS to bring Cuba's subversive tactics to the attention of the United Nations. The pertinent points in Resolution IV state:

Whereas:

* * * * *

Resolution 2131 (XX) of the General Assembly states the following in paragraphs 1 and 2 of its declarative part:

(1) No State has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State. Consequently, armed intervention and all other forms of interference or attempted threats against the personality of the State or against its political, economic and cultural elements are condemned;

(2) . . . Also, no State shall organize, assist, foment, finance, incite or tolerate subversive, terrorist or armed activities directed towards the violent overthrow of the regime of another State, or interfere in civil strife in another State:

and

Under auspices of the present Government of Cuba, the so-called Latin American Solidarity Organization (LASO), meeting recently in Havana, passed resolutions and adopted agreements to promote subversive movements in the Latin American countries,

The Twelfth Meeting of Consultation of Ministers of Foreign Affairs

Resolves:

1. To recommend to the member states of the Organization of American States that they bring to the attention of the competent organ of the United Nations the *acts of the present Government of Cuba that run counter to the provisions cited of Resolution 2131 (XX) of the General Assembly.* (Emphasis Added)

I have heard stated that Mexico was motivated to back this resolution in accord with its belief that the Cuban problem is related to the overall cold war situation between the Soviet Union and the United States, hence the United Nations rather than the regional body is the appropriate forum to consider the Cuban problem. Whatever motivated the Mexican position, Mexico's affirmative vote on Resolution IV puts Mexico unmistakably on record as recognizing that Castro's Cuba is indeed guilty of exporting violence in the hemisphere.

While on the subject of resolution IV, which was introduced by Venezuela—the principal victim of Castro Communist tactics—I personally doubt that the proposal to air the problem in the United Nations offers any promise of clipping Castro's wings. Supporters of the resolution apparently believe that a united presentation at the United Nations of hemisphere grievances against Cuba would be an effective way to acquaint African, Asian, and European governments, as well as Communist bloc nations, of the seriousness with which the American countries regard Castro's export of revolution. I hope so. But with Cuba and the Communist nations represented in the United Nations, I think we can expect a vituperative response, with the entire exercise serving no useful purpose.

Other than solidarity, did the foreign ministers' meeting achieve anything concrete?

In my view, the recommendation that the governments of the member states decline to ship any governmental or government-financed cargo in any vessels that call on Cuban ports and that they prohibit the supply of fuel to such vessels, is a helpful advance. The United States has long enforced such measures.

From January 1, 1963, to August 30, 1967, some 270 ships of various flags called upon Cuban ports for a total of 1,479 trips. During discussion of the shipping resolution, some delegates expressed fear that its implementation would adversely effect their trade. But most of the ships still engaged in the Cuban trade are tramp ships. Their runs to other Latin American countries are irregular, hence of relatively minor consequences to the countries involved. On the other hand, the threat of exclusion from Latin America may well influence the ships' owners to decide that their Cuban run is not worth sacrificing the possibilities of business presented by the 21 OAS nations.

The resolution calling upon friendly nonhemisphere countries to restrict their trade and financial operations with Cuba also represents a step forward. Resolution I, paragraph 6, of the Ninth Meeting of Consultation in 1964 addressed the problem in vague terms. It resolved "to urge those states not members of the Organization of American States that are animated by the same ideals as the inter-American system to examine the possibility of effectively demonstrating their solidarity in achieving the purposes of this resolution." The 12th Meeting of Consultation abandons this vague verbiage. Instead, resolution III, paragraph (2) is precise in defining the trade, shipping, and credit guarantee policies which the OAS members want altered.

Whether or not the free world nations who persist in trading and aiding Cuba will be moved by renewed pleas by the OAS, however explicit, remains to be seen.

I realize that the 12th Meeting of Consultation was convoked under article 39 of the OAS Charter and, within this frame of reference, the foreign ministers were limited to making recommendations to the governments of the member states rather than ordering specific sanctions, as provided for by the Rio Treaty.

Even within this limitation, I feel more could have been accomplished. In my remarks in Congress 2 days prior to the foreign ministers' meeting I suggested that the OAS countries agree to boycott those private firms in friendly nonhemisphere nations that engage in Cuban trade. It seemed to me that the measure would tighten the hemisphere policy of economic denial adopted by the Ninth Meeting of Consultation. Awareness by European and other free world enterprises that their products would be excluded throughout the Americas if they persisted in trading with Cuba would surely have given those firms pause before they continued to engage in business with Castro. Such a deterrent, I believe, could have put a sizable dent in the $360 million annual Cuban trade with non-Communist countries.

Communist sources have tried to create the impression that my suggestion was aimed at eliminating European and other nonhemisphere firms from business in Latin America. What nonsense. Refusal by the members of the OAS to deal with a firm, for example, in France that supplies Cuba would in no way affect other firms in France, or anywhere else, that were not engaged in the Cuban trade.

An effort was made at the foreign ministers' meeting to adopt a resolution along the lines I suggested. During the deliberations, the resolution gained considerable support. As the hour grew late, the proposal was withdrawn at the suggestion of the U.S. delegation. Although I realize that the proposal was introduced cold at the Conference and that the respective governments had not had time to consider it, I personally would have preferred that the matter be brought to a vote, but the decision of the U.S. delegation was otherwise.

I still think the idea has merit. If the Conference resolution on Cuban transactions fails to persuade friendly nonhemisphere countries, the proposal lies in reserve.

The resolutions adopted by the foreign ministers remain simply recommendations to the governments of the member states. If they are implemented vigorously, they could help to contain Castro's efforts to export violence to other countries in this hemisphere. Meanwhile, as I stated prior to the Conference, in the last analysis, the capacity of the OAS to guarantee the security of its members and to compel the rule of law in the Western Hemisphere is on trial.

FINAL ACT OF THE 12TH MEETING OF CONSULTATION OF MINISTERS OF FOREIGN AFFAIRS, CONVOKED IN ACCORDANCE WITH THE FIRST PART OF ARTICLE 39 AND WITH ARTICLE 40 OF THE CHARTER OF THE ORGANIZATION OF AMERICAN STATES

The Twelfth Meeting of Consultation of Ministers of Foreign Affairs, convoked in accordance with the first part of Article 39 and with Article 40 of the Charter of the Organization of American States, was held at the Pan American Union, Washington, D.C., from June 19 to September 24, 1967.

The Meeting was convoked through a resolution of the Council of the Organization of American States adopted on June 5, 1967, which read as follows:

"Whereas:

"On June 1, 1967, the Ambassador, Representative of Venezuela, addressed a note to the Chairman of the Council, by which his government requested that a Meeting of Consultation be urgently convoked, in accordance with the first part of Article 39 and with Article 40 of the Charter of the Organization of American States, to consider 'the serious situation confronting the member states of this Organization as a consequence of the attitude of the present Government of Cuba, which is carrying out a policy of persistent intervention in their internal affairs with violation of their sovereignty and integrity, by fostering and organizing subversive and terrorist activities in the territory of various states, with the deliberate aim of destroying the principles of the inter-American system';

"The Ambassador, Representative of Venezuela, has provided the information on which that request was based; and

"Article 39 of the Charter provides that 'The Meeting of Consultation of Ministers of Foreign Affairs shall be held in order to consider problems of an urgent nature and of common interest to the American States. . . .'

"The Council of the Organization of American States resolves:

"1. To convoke, in accordance with the first part of Article 39 and with Article 40 of the Charter of the Organization of American States, a Meeting of Consultation of Ministers of Foreign Affairs of the American republics to consider the said situation.

"2. To appoint a committee of nine members, to be designated by the Chairman of the Council, to make recommendations regarding the agenda, date, place, and regulations for that meeting.

"3. To inform the United Nations Security Council of the text of this resolution, in accordance with Article 54 of the Charter of the United Nations."

In accordance with the provisions of paragraph 2 of the operative part of the resolution transcribed above, the Chairman of the Council, on that same day, appointed the delegations of Argentina, Bolivia, Colombia, Guatemala, Peru, Trinidad and Tobago, the United States, Uruguay, and Venezuela to make up that committee, which later elected the Ambassador, Representative of Venezuela, as its chairman.

At the meeting of the Council of the Organization held on June 15, 1967, this committee submitted a report on the agenda, date, place, and regulations for the Meeting (Doc. 5), and a resolution was adopted in which the following agenda was proposed for the Meeting, which agenda was approved by the opening plenary session held on June 19, 1967:

"1. The situation confronting the member states of the Organization of American States as a consequence of the attitude of the present Government of Cuba, which is carrying out a policy of persistent intervention in their internal affairs with violation of their sovereignty and integrity, by fostering and organizing subversive and terrorist activities in the territory of various states, with the deliberate aim of destroying the principles of the inter-American system."

In the same resolution adopted on June 15, 1967, the Council set June 19, 1967, as the opening date for the Meeting and designated the Pan American Union as the place for it.

The deliberations of the Meetings were governed by the Regulations of the Meeting of Consultation of Ministers of Foreign Affairs prepared by the Council of the Organization on March 1, 1951, and approved by the Meeting with certain transitory provisions applicable to it.

The Meeting was attended, from June 19 through September 21, 1967, by special delegates of the Ministers of Foreign Affairs (Doc. 17), and beginning September 22, 1967, the following members of the Meeting, listed in the order of precedence established by lot, participated:

Ecuador: His Excellency Julio Prado Vallejo, Minister of Foreign Affairs.

Chile: His Excellency Gabriel Valdés S., Minister of Foreign Affairs.

Argentina: His Excellency Nicanor Costa Méndez, Minister of Foreign Affairs and Worship.

Costa Rica: His Excellency Fernando Lara Bustamante, Minister of Foreign Affairs.

Colombia: His Excellency Germán Zea Hernández, Minister of Foreign Affairs.

Uruguay: His Excellency Héctor Luisi, Minister of Foreign Affairs.

The Dominican Republic: His Excellency Fernando Amiama Tió, Secretary of Foreign Affairs.

Venezuela: His Excellency Ignacio Iribarren Borges, Minister of Foreign Affairs.

Guatemala: His Excellency Emilio Arenales Catalán, Minister of Foreign Affairs.

Peru: His Excellency Edgardo Seoane Corrales, Minister of State in the Office of Foreign Affairs.

Mexico: His Excellency Antonio Carrillo Flores, Secretary of Foreign Affairs.

Haiti: His Excellency Fern D. Baguidy, Ambassador, Representative of Haiti on the Council of the Organization.

Bolivia: His Excellency Walter Guevara Arze, Minister of Foreign Affairs.

Panama: His Excellency Fernando Eleta A., Minister of Foreign Affairs.

Paraguay: His Excellency Raúl Sapena Pastor, Minister of Foreign Affairs.

Brazil: His Excellency José de Magalhães Pinto, Minister of Foreign Affairs.

Trinidad and Tobago: His Excellency A. N. R. Robinson, Minister of External Affairs.

The United States: The Honorable Dean Rusk, Secretary of State.

El Salvador: His Excellency Alfredo Martinez Moreno, Minister of Foreign Affairs.

Honduras: His Excellency Tiburcio Carías Castillo, Minister of Foreign Affairs.

Nicaragua: His Excellency Lorenzo Guerrero, Minister of Foreign Affairs.

His Excellency José A. Mora, Secretary General of the Organization of American States, also attended the Meeting.

As established in the Regulations of the Meeting, the Secretary of the Council of the Organization of American States, Dr. William Sanders, served as Secretary General of the Meeting, and the Secretary General of the Organization appointed Mr. Santiago Ortiz as Assistant Secretary General of the Meeting.

In accordance with the Regulations of the Meeting, the Secretary General of the Organization of American States installed the opening session on the afternoon of June 19, 1967. At this session, His Excellency Eduardo Ritter Aislán, Special Delegate of Panama, was elected President of the Meeting. Also, the agreements reached at the preliminary session with respect to the Agenda and Regulations of the Meeting and the membership of the Committee on Credentials and the Coordinating and Drafting Committee were ratified.

At the same opening session, a resolution was adopted, authorizing appointment of a committee "to go to Venezuela to gather additional information and to make such verification as it considers advisable of the events that took place in Venezuela and that were denounced by the government of that country. . . ." Committee I was composed of the special delegates of Costa Rica (Chairman), Peru (Rapporteur), Colombia, the Dominican Republic, and the United States.

At the plenary session held on July 10, 1967, the Meeting resolved to establish an eight-member committee (Committee II), to prepare a report on events related to the so-called Afro-Asian Latin American Peoples' Solidarity Conference that had occurred since the report of October 24, 1966, presented by the Special Committee to Study Resolutions II.1 and VIII of the Eighth Meeting of Consultation of Ministers of Foreign Affairs.

Committee II of the Meeting of Consultation was composed of the special delegates of Peru (Chairman), Trinidad and Tobago (Rapporteur), and Argentina, Colombia, the Dominican Republic, El Salvador, Guatemala, and the United States.

Committee I, appointed at the opening session, was in Venezuela from June 23 to 27, and on July 26, 1967, at the third plenary session of the Meeting, it presented its report on the events that had occurred in that country.

At the fourth plenary session, held on August 2, Committee II, established by the resolution of July 10, presented a report on events related to the so-called Afro-Asian Latin American Peoples' Solidarity Conference that had occurred since the report of October 24, 1966, represented by the Special Committee of the Council of the Organization.

In accordance with the Regulations, the Meeting appointed a Committee on Credentials, composed of Guatemala, Mexico, and Paraguay. It also appointed a Coordinating and Drafting Committee, made up of Brazil, Colombia, Haiti, and Trinidad and Tobago.

In accordance with the transitory provisions of the Regulations, a General Committee was established, made up of all the members. His Excellency Alfredo Vázquez Carrizosa, Special Delegate of Columbia, and His Excellency Ramón de Clairmont Dueñas, Special Delegate of El Salvador, were appointed Chairman and Rapporteur, respectively, of the General Committee. Later when Mr. Alfredo Vázquez Carrizosa, Special Delegate of Colombia, ceased to represent his country at the Meeting, His Excellency Eduardo Roca, Special Delegate of Argentina, was elected Chairman of the General Committee.

At the meeting of the General Committee held on August 3, there was general agreement that most of the ministers of foreign affairs of the member states would be willing to attend the Meeting personally beginning September 22, 1967.

On that date, a new preliminary session was held, attended by the Ministers of Foreign Affairs, at which agreement was reached on the new officers of the Meeting. At the Fifth Plenary Session, held on the same day, His Excellency Héctor Luisi, Minister of Foreign Affairs of Uruguay, was elected President of the Meeting.

At the tenth meeting of the General Committee, held on September 23, 1967, His Excellency Nicanor Costa Méndez, Minister of Foreign Affairs and Worship of Argentina, was elected Chairman of the Committee, and His Excellency Alfredo Martínez Moreno, Ministr of Foreign Affairs of El Salvador, was elected Rapporteur.

At the same meeting, the General Committee also formed a Working Group made up of the delegations of Costa Rica (Chairman), Bolivia, Brazil, Chile, Colombia, Ecuador, Trinidad and Tobago, the United States, and Venezuela, which undertook a study of the various drafts and resolutions presented and submitted its conclusions to the General Committee.

This Final Act of the Meeting was signed at the closing session, which took place on September 24, 1967. This session was addressed by His Excellency Walter Guevara Arze, Minister of Foreign Affairs of Bolivia, who spoke on behalf of the delegations, and His Excellency Héctor Luisi, Minister of Foreign Affairs of Uruguay, President of the Meeting.

As a result of its discussions, the Twelfth Meeting of Consultation of Ministers of Foreign Affairs adopted the following resolutions:

I

The Twelfth Meeting of Consultation of Ministers of Foreign Affairs,

Considering:

The note dated June 1, 1967, addressed by the Representative of Venezuela to the Chairman of the Council of the Organization and in the statement made by the Special Delegate of Venezuela during the plenary session held today,

Resolves:

1. To authorize its President to appoint a committee to go to Venezuela to gather additional information and to make such verification as it considers advisable of the events that took place in Venezuela and were denounced by the government of that country in its note dated June 1, 1967, to the Chairman of the Council of the Organization of American States, which was considered at the special meeting held by that Organ on June 5.

2. To request the American governments and the Secretary General of the Organization to cooperate with the Committee, which will begin to work as soon as it has been constituted.

3. That the Committee shall render a report to the Meeting of Consultation as soon as possible.

4. To inform the Security Council of the United Nations of the text of the present resolution, in accordance with the provisions of Article 54 of the Charter of the United Nations.

II

The Twelfth Meeting of Consultation of Ministers of Foreign Affairs,

Resolves:

1. To establish an eight-member committee to prepare a report on events related to the so-called Afro-Asian-Latin American Peoples' Solidarity Conference that have occurred since the report of October 24, 1966, presented by the Special Committee to Study Resolutions II.1 and VIII of the Eighth Meeting of Consultation of Ministers of Foreign Affairs.

2. To authorize the President of the Twelfth Meeting of Consultation to designate the states that should compose the aforementioned committee.

3. To request the Secretary General of the Organization to give the committee the assistance it needs to achieve the objective stated above.

III

Whereas:

The report of Committee I of the Twelfth Meeting of Consultation of Ministers of Foreign Affairs states among its conclusions that "it is clear that the present Government of Cuba continues to give moral and material support to the Venezuelan guerrilla and terrorist movement and that the recent series of aggressive acts against the Government of Venezuela is part of the Cuban Government's continuing policy of persistent intervention in the internal affairs of other American states by fostering and organizing subversive and terrorist activities in their territories";

Committee II of the Twelfth Meeting of Consultation of Ministers of Foreign Affairs, responsible for preparing a report on events related to the so-called First Afro-Asian-Latin American Peoples' Solidarity Conference, stated that the so-called First American Solidarity Conference, held in Havana from July 31 to August 8, 1967, "represents a further step in the efforts of communism and other subversive forces in the hemisphere to promote, support, and coordinate guerrilla, terrorist, and other subversive activities directed against established governments" and gives "testimony once again to the efforts of the Government of Cuba to control and direct these subversive activities in our hemisphere";

During the course of the Twelfth Meeting of Consultation the Government of Bolivia has presented evidence of intervention by the Government of Cuba in the preparation, financing, and organization of guerrilla activities in its territory;

The difficult social and economic conditions under which the peoples of Latin America live serve communism as a means for arousing the internal subversion that dis-

torts the legitimate longings of our countries for justice and for change;

The affirmation that the democratic system is the proper path for achieving the desires of the Latin American peoples must be supported by suitable actions and programs that will promote the structural changes necessary for progress and for the strengthening of the system;

Economic cooperation among the American states to speed up and harmonize development is essential to the stability of democracy and the consolidation of the inter-American system in the face of the subversive aims of international communism;

Respect for and observance of human rights constitute a basic universal as well as inter-American juridical principles essential to the effective security of the hemisphere; and

In spite of this, in practice events occur that are incompatible with the system of protection and guarantee that all countries are obligated to establish in behalf of the individual,

The Twelfth Meeting of Consultation of Ministers of Foreign Affairs

Resolves:

1. To condemn forcefully the present Government of Cuba for its repeated acts of aggression and intervention against Venezuela and for its persistent policy of intervention in the internal affairs of Bolivia and of other American states, through incitement and active and admitted support of armed bands and other subversive activities directed against the governments of those states.

2. To request the states that are not members of the Organization of American States and that share the principles of the inter-American system to restrict their trade and financial operations with Cuba and sea and air transport to that country, especially transactions and transportation conducted through state agencies, until such time as the Cuban regime ceases its policy of intervention and aggression, and to indicate to them that the granting of state credits or credit guarantees to private firms conducting such transactions cannot be viewed as a friendly gesture by the member states of the organization; and to this end to recommend to the member states that, individually or collectively, they reiterate this position to the governments of those states.

3. To request the governments that support establishment of the so-called Afro-Asian-Latin American Peoples' Solidarity Organization (AALAPSO) to withdraw their support or adherence from that organization, and also from the "Second Tricontinental Conference," scheduled to be held in Cairo in January 1968; to denounce these activities as contrary to the sovereignty, peaceful relations, and social and economic development of the peoples; and to declare that support by countries outside the hemisphere to activities conducive to subversion in Latin America jeopardizes solidarity among the developing countries, the increasing importance of which is particularly reflected in the efforts being made to reorganize international trade on more equitable bases.

4. To express to the states that are not members of the Organization of American States that support the Government of Cuba the serious concern of the member states of the Organization, inasmuch as that support tends to stimulate the interventionist and aggressive activities of the Cuban regime against the countries of the Western Hemisphere, and since the cause of peaceful relations will be jeopardized so long as those activities continue; and to this end, to recommend to the governments of the member states of the Organization that they carry out joint or individual representations directed to the states that support the Government of Cuba, to manifest this concern to them.

5. To recommend to the governments of the member states of the Organization of American States that they apply strictly the recommendations contained in the first report of the Special Committee to Study Resolutions II.1 and VIII of the Eighth Meeting of Consultation of Ministers of Foreign Affairs, of July 3, 1963, relative to the prevention of propaganda and of the movement of funds and arms from Cuba and other illegal sources to other American countries, as well as to the strengthening of controls on travel to and from Cuba in order to prevent the movement of subversive persons, and that they coordinate more effectively their efforts aimed at preventing such movements and shipments.

6. To recommend to the governments of the member states of the Organization that, in accordance with their domestic legislation, they adopt or intensify, as appropriate, measures of vigilance and control on their respective coasts and borders, in order to prevent the entry into their own territory, or the exit, of men, arms, or equipment coming from Cuba and intended for purposes of subversion and aggression.

7. To recommend to the member states of the Organization that, in accordance with their constitutional and legal provisions, they maintain, within their territory, the most strict vigilance over the activities of the so-called Latin American Solidarity Organization (LASO) and its national committees.

8. To recommend to the member states of the Organization the application, where necessary, of all the recommendations contained in the Report of the Special Committee to Study Resolutions II.1 and VIII of the Eighth Meeting of Consultation of Ministers of Foreign Affairs, on the so-called First Afro-Asian-Latin American Peoples' Solidarity Conference and its Projections ("Tricontinental Conference of Havana"), dated November 28, 1966.

9. To recommend to the governments of the member states that they take such steps as they deem pertinent in order to coordinate, among neighboring countries, the measures of vigilance, security, and information set forth in paragraphs 5, 6, 7 and 8 above.

10. To recommend to the governments of the member states that they decline to ship any governmental or government-financed cargo in any vessel that, following the date of this resolution, has engaged in the shipment of cargo to or from Cuba, and that, in addition, the governments of the member states take the necessary measures to prohibit the supply of fuel to any such vessel in their ports, with the exception of cases in which shipments are made for humanitarian purposes.

11. To reaffirm that the maintenance of order and of internal and external security is the exclusive responsibility of the government of each member state, without prejudice to its reiterated adherence to the principle of collective and mutual security for the preservation of peace, in accordance with the treaties on this subject.

12. To express concern that the growth rates of the developing countries of Latin America and the degree of their participation in international trade are not equal to the corresponding rates of growth and expansion of trade of the industrialized countries of the world, and that this situation could result in new and more acute social conflicts that Castro-communism could use to advantage to provoke or intensify subversion and violence and to upset the course of development of the hemisphere.

13. To reaffirm that the principal means of achieving security and prosperity in the hemisphere is development by peaceful and democratic methods, and that the subversion promoted by Cuba disturbs that process.

14. To reiterate its conviction that economic and social development can and should be achieved only within a system that respects democracy and human rights, and on the basis of actions and programs that will coordinate domestic efforts with international cooperation, to satisfy the undeferrable aspirations and needs of the peoples of the Americas.

15. To instruct the Secretary General of the Organization of American States to transmit to the Security Council of the United Nations the texts of this resolution and of the reports of Committees I and II of this Meeting of Consultation, in accordance with Article 54 of the Charter of the United Nations.

IV

Whereas:

Article 34 and the first paragraph of Article 35 of the Charter of the United Nations read as follows:

"*Article 34.* The Security Council may investigate any dispute, or any situation which might lead to international friction or give rise to a dispute, in order to determine whether the continuance of the dispute or situation is likely to endanger the maintenance of international peace and security.

"*Article 35.* Any Member of the United Nations may bring any dispute, or any situation of the nature referred to in Article 34, to the attention of the Security Council or of the General Assembly."

Resolution 2131 (XX) of the General Assembly states the following in paragraphs 1 and 2 of its declarative part:

"1. No State has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State. Consequently, armed intervention and all other forms of interference or attempted threats against the personality of the State or against its political, economic and cultural elements are condemned;

"2. No State may use or encourage the use of economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights or to secure from it advantages of any kind. Also, no State shall organize, assist, foment, finance, incite or tolerate subversive, terrorist or armed activities directed towards the violent overthrow of the regime of another State, or interfere in civil strife in another State; and".

Under auspices of the present Government of Cuba, the so-called Latin American Solidarity Organization (LASO), meeting recently in Havana, passed resolutions and adopted agreements to promote subversive movements in the Latin American countries,

The Twelfth Meeting of Consultation of Ministers of Foreign Affairs

Resolves:

1. To recommend to the member states of the Organization of American States that they bring to the attention of the competent organ of the United Nations the acts of the present Government of Cuba that run counter to the provisions cited of Resolution 2131 (XX) of the General Assembly.

2. To request, in like manner, of the countries of the Latin American group in the United Nations that are not members of the Organization of American States, that they cooperate in the implementation of this resolution.

V

The foreign ministers meeting here reaffirm the dedication of their governments to the cause of economic and social development of their peoples, within a framework of freedom and democracy, and declare that their efforts in this direction will not be deterred by the aim of any state or organization to subvert their institutions—an aim that those meeting here unanimously repudiate.

VI

Whereas:

This Meeting of Consultation was convoked in accordance with the first part of

Article and with Article 40 of the Charter of the Organization; and

The preparation of the Final Act of the Twelfth Meeting of Consultation in the four official languages requires careful coordination which cannot be accomplished satisfactorily in the limited time available.

The Twelfth Meeting of Consultation of Ministers of Foreign Affairs

Resolves:

1. To prepare the Final Act to be signed in only one of the official languages of the Meeting.

2. To recommend to the Council of the Organization of American States that it constitute a committee of four of its members who will represent the four official languages of the Organization to coordinate the texts of the Final Act in the other three official languages.

3. To authorize the Council to approve those three texts, which shall be considered official texts of the Final Act and shall become integral parts of it as it is signed by the Ministers of Foreign Affairs.

4. That all the official texts of the Final Act shall be equally authentic.

TAXPAYERS TAKEN FOR JOYRIDE BY NAPCO INDUSTRIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa [Mr. GROSS] is recognized for 5 minutes.

Mr. GROSS. Mr. Speaker, evidence continues to mount that the taxpayers of this country have been taken for a joyride by Napco Industries, Inc., of Minneapolis, and its affiliate, Napco Bevel Gear of India, Ltd., through a machinery deal financed by the International Development Agency to the tune of nearly $4 million.

According to a recent General Accounting Office report, a substantial amount of the machinery shipped by Napco to India was obsolete and some of it little more than junk.

Mr. Speaker, I have a communication from Lloyd G. Ross of Wooster, Ohio, who was hired by Napco Industries, of Minneapolis, and sent to India as works manager for Napco Bevel Gear of India.

Ross states that when he uncrated the machinery in India, he discovered that very little of it had been reconditioned as he was led to believe, and that there were many equipment shortages. Ross further states that—

> It was very apparent that the machines in many cases had been "stripped" before crating for shipment.

Mr. Speaker, what this man alleges is that after Napco Industries persuaded our giveaway agency to finance the unloading of its unprofitable automotive gear factory, quantities of key parts were removed before crating the machines for shipment.

After Ross reported these equipment shortages, he says a Napco lawyer came out to India from Minneapolis and asked him to certify to the insurance company that the missing parts had been stolen in transit. This, he said, he flatly refused to do.

I do not know, and neither does Ross, whether such a certification was later made, but it raises an interesting question. Subsequently, Ross said, he was forced to undergo ulcer surgery, and while a patient in a hospital in India, his services were terminated.

The General Accounting Office report on this freewheeling deal by Napco Industries is bad enough, but this latest allegation ought to be more than enough to convince anyone that the whole affair should be thoroughly investigated and from every angle, including the identity of those in Washington, D.C., who had a hand in promoting this deal.

Mr. Speaker, I am turning the Ross communication over to the Federal Bureau of Investigation with a request that the FBI investigate his allegations to determine if fraud against the Government is involved.

CHICAGO'S COLUMBUS DAY PARADE

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. ANNUNZIO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, October 12, 1492, is the memorable day that Christopher Columbus discovered America. Throughout the United States, all our people, regardless of age, race, or creed, will join together with enthusiasm to celebrate the 475th anniversary of this momentous discovery which led to the development of our great country as well as the rest of the Western Hemisphere.

In my own city of Chicago, Columbus Day is celebrated each year with a gigantic parade on our main street, State Street. Over 225 units will march in the parade, representing every branch of the U.S. military forces, school bands, marchers, and drum and bugle corps. Women and children wearing authentic native costumes of Italy will ride on the floats and march in the procession, adding to the color and pageantry of the occasion.

The parade, which attracts over 1 million people, will be televised over WGN-TV for 1½ hours and will have an estimated television audience of an additional 2 million people. State Representative Victor A. Arrigo will narrate the entire parade. Sponsors of the telecast are Anthony Paterno, of the Pacific Wine Co.; Dominick Di Matteo, of Dominick's Finer Foods; and Frank Armanetti, of Armanetti Liquor Stores. The theme of the 1967 parade will be "World civilization owes its greatest debt to Columbus." These words, first written by the eminent Harvard professor and Pulitzer Prize winner, Samuel Eliot Morison, will appear on every float in the parade.

The Attorney General of the United States, Hon. Ramsey Clark, will be the guest of honor and will lead the parade. Joining him in leading the parade will be the honorary chairmen of the parade, Hon. Richard J. Daley, mayor of Chicago, and Dr. Augusto Russo, Consul General of Italy in Chicago. Following the leaders in the line of march will be political dignitaries, civic leaders, members of the judiciary, and businessmen from the community.

Some of the leaders in the Italian community who are participating in the parade are Dr. Mario Rubinelli, president of the Joint Civic Committee of Italian-Americans; Rev. Armando Pierini, P.S.S.C., chaplain; Anthony Bottalla, general chairman of the parade; Dr. James F. Greco, Joseph Bottalla, Anthony Fornelli, Anthony Terlato, special assistants to the general chairman; and Frank Armanetti, Fred Bartoli, Martin R. Buccieri, Victor J. Failla, Nello V. Ferrara, Anthony Paterno, and Arthur S. Pullano, who are cochairmen of the parade.

Also participating are Louis P. Farina, cochairman of the speakers platform committee; Hon. John D'Arco, chairman, and Hon. Peter C. Granata, cochairman, of the public officials committee; Mrs. Carolyn Lucchese, president of the women's division of the Joint Civic Committee of Italian-Americans; Dr. Mary Ellen Batinich, chairman of the authentic Italian costumes committee; John G. Rovetto, chairman, and Sam Canino, cochairman, of the floats committee; Lawrence Spallitta, chairman of the float personnel committee; Livio Petricca, chairman of the bands, marchers, and transportation committee; Joseph De Serto, chairman of the Italian organizations committee; Hon. Victor A. Arrigo, chairman of the program and arrangements committee; Victor J. Failla, chairman, and Frank Esposito, cochairman of the labor committee; Carl Cipolla, chairman of the business and professional committee; Marco De Stefano, grand marshal, and Fred Bartoli, Sam Canino, and Anthony Paterno, assistant marshals, of the parade; Robert S. Tomaso, chairman, and Mrs. Serafina Ferrara, Joseph Fusco, Frank Catrambone, cochairman, of the finance and souvenir book; and Domenick Di Frisco, chairman of the publicity and queen contest.

The other members of these committees are: Dominick Gentile, Mrs. Mary Spallitta, Anthony Parisi, Joseph Tolitano, Peter Barbero, Rudolph Bilotta, Frank Bottigliero, Dr. Nicholas J. Bruno, Joseph Fontana, Peter Realmuto, Miss Virginia Vazzano, Dominick Dolci, Daniel A. Becco, Carl Ferina, Michael R. Fortino, John Spatuzza, Carl La Paglia, Egisto Menconi, Louis Moretti, Dominick M. Alberti, Dr. Joseph H. Di Leonarde, William Fantozzi, Lt. Joseph Giglio, Rosario Lombardo, Amedeo Yelmini, Paul Iaccino, Henry L. Coco, James Coli, Mathew Alagna, Dr. August F. Daro, N. R. Dispenza, Michael Epifanio, Dr. Salvatore J. Glorioso, Albert Litterio, Dr. S. Liturri, Vincent Lucchese, Charles Porcelli, Gerald Sbarbaro, Peter R. Scalise, Horatio Tocco, Dr. John J. Vitacco, Louis P. Farina, Peter Lavorata, Fred Mazzei, Vincent Lucania, and Vincent Saverino.

Miss Josephine Fortunato, who is 20 years old, was chosen as queen of the Columbus Day parade. She resides at 365 North Paulina, Chicago, Ill. The prizes awarded to the queen are a wardrobe and a free trip to Italy, sponsored by the Joint Civic Committee of Italian Americans via Al Italia Airlines.

Chosen as members of the queen's court were Miss Cira Profit, River Forest, Ill.; Miss Kathi Perelli, 14345 Woodlawn, Dolton, Ill.; Miss Rosemarie Lobraico, 728 South May Street, Chicago, Ill.; and Miss Nancy Tomaso, 115 Euclid Avenue, Park Ridge, Ill.

The judges for the queen's contest included Mr. Maurice Fischer, assistant to the editor, Chicago Daily News; Miss Barbara Tiritilli, reporter for Chicago's American; Mr. Al Borcover, assistant travel editor, Chicago Tribune; Mr. Patrick Muldowney, newscaster, WFLD–TV, channel 32; Miss Jeanette Benedetta, representative for Al Italia Airlines; and Mrs. Charles C. Smith, director, Upward Bound Project, Barat College, Lake Forest, Ill.

The winners this year in the authentic Italian costume contest were: First prize, Miss Eileen Riccomi, 1332 South 50th Court, Cicero, Ill., $100 savings bond; second prize, Mrs. Lorraine Perry, 5417 West Gladys, Chicago, Ill., $75 savings bond; third prize, Miss Esther Benetti, 3528 South 55th Avenue, Cicero, Ill., $50 savings bond; fourth prize, Dr. Mary Ellen Batanich, 9215 South Troy Avenue, Chicago, Ill., $50 savings bond; fifth prize, Mrs. Eleana Frigoletti, 7212 West 62d Street, Summit, Ill., $25 savings bond; sixth prize, Mrs. Pat Bruno, 7731 South Walcott Avenue, Chicago, Ill., $25 savings bond; seventh prize, Mrs. Amelia Tomaselli, 228 South Bell Avenue, Chicago, Ill., $25 savings bond; eighth prize, Mrs. Emelia Scarpelli, 2429 West Erie Street, Chicago, Ill., $25 savings bond; ninth prize, Mrs. Concetta Bastone, 1632 North Mason, Chicago, Ill., $25 savings bond; and tenth prize, Miss Adelaide Ventucci, 1713 75th Court, Elmwood Park, Ill., $25 savings bond.

The judges for the authentic Italian costumes contest, in addition to Mr. Fischer, Mr. Borcover, and Miss Tiritilli, included Mr. Fred Mazzei, custom tailor, 203 North Wabash, Chicago, Ill., and Miss Carmella Spina, chairman, home economics department, Steinmetz High School, Chicago, Ill.

The prizes for the costume contest have been donated by the Joint Civic Committee of Italian Americans, which sponsors the Columbus Day parade each year and is the civic organization representing over 500,000 Italo-Americans in the Chicago metropolitan area. Mr. Anthony Sorrentino is the able and hard-working consultant for the Joint Civic Committee of Italian Americans.

The Columbus Day celebration will begin with solemn high Mass at 9 a.m. at Our Lady of Pompeii Church in Chicago, with Bishop Aloysius J. Wycislo officiating, followed at 10 a.m. by a wreath-laying ceremony at Columbus Statue in Vernon Park opposite the church. At 12 noon, the parade will begin at State and Wacker Streets. Following the parade, at 2:30 p.m., another wreath-laying ceremony will take place at Columbus Monument in Grant Park. The festivities will be brought to a close with a reception in honor of Attorney General Ramsey Clark beginning at 3 p.m. at the Sherman House in Chicago. Leaders of the Italo-American organizations from Illinois, Indiana, and Michigan will be at the reception, together with officials from the city of Chicago and from the State of Illinois.

It is a source of pride to know that Americans of all national origins will participate in our Columbus Day parade, an annual patriotic event commemorating Columbus' discovery of America. This year, October 12 has been proclaimed a legal school holiday by Gov. Otto Kerner, and the schoolchildren will be free to participate in this celebration and to view the parade.

Columbus' discovery opened the door to the future, not only of our own country, but of the whole Western Hemisphere as well. It may even be regarded as the greatest historical event of our times in view of the tremendous strides and the great advances that mankind has made since that eventful day, October 12, 1492.

It is entirely fitting, then, that this day be celebrated as a national legal holiday. Toward that end, I have introduced in the Congress, H.R. 3891, and many of my colleagues have joined me in introducing similar measures. Already, House Judiciary Subcommittee No. 4 has completed hearings on this legislation, and I am hopeful that favorable action will be taken in this session of the 90th Congress, so that next year we may celebrate Columbus Day as a national legal holiday, and thereby give this long overdue recognition to the eminent Italian navigator.

It gives me great pleasure to join my friends in Chicago, my colleagues here in Washington, and my fellow citizens all over the United States in honoring America's first and perhaps greatest immigrant—Christopher Columbus.

SLOVENIAN FESTIVAL DAY

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. ANNUNZIO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, in accordance with their long-established tradition, the Slovenian people on October 14 will hold a festival to celebrate the 417th anniversary of the first book printed in Slovenian and the 49th anniversary of their independence from the Hapsburg Empire.

The Slovenes form one of the six south-Slavic groups, known as People's Republics, which make up today's Yugoslavia. Slovenia today has a territory of a little less than 8,000 miles and a population of about 1,500,000. On paper, at least, they have the right of self-government, and the least, as well as the most, one can say is that they seem to be reconciled, for the time being at any rate, to their present lot.

But the courageous Slovenes are not a submissive people. In November 1957, Slovenian coal miners staged a successful sitdown strike. This was the first officially admitted occurrence of an economical strike in a Communist country. It was not a violent rebellion on the part of the Slovenes but it did demonstrate their dissatisfaction under the Communist system and their bravery in expressing this dissatisfaction.

They again demonstrated their dissatisfaction when on December 7, 1966, the Government of the Yugoslav Republic of Slovenia resigned. This was an unprecedented move and was the first time in the history of Communist Yugoslavia that a government resigned after being defeated in Parliament.

Mr. Janko Smole, the Slovenian Prime Minister, able economist and former national bank director, handed in his government's resignation saying he could no longer accept responsibility for economic developments. The immediate cause of his action was a disagreement over a parliamentary bill intended to reduce from 7 to 6 percent the contributions made by factories to the social security program and to make up the difference by having the workers increase their contributions from 1 to 2 percent. This bill had to be approved by the National Assembly before it could become law. One chamber approved it and another rejected it. Under the circumstances, Premier Smole announced his government would not assume responsibility for carrying out the economic reform and resigned.

Finally, when both houses of Parliament passed a bill similar to the one that caused the crisis, the Premier withdrew the resignation because the reason for the original resignation of the government no longer existed.

The Government of the Yugoslav Republic of Slovenia bravely expressed its opinion by resigning when it disagreed with a proposal for economic reform and set a fine example for other Communist-controlled governments to follow.

This modern-day example of Slovenian courage in the face of tyranny is reminiscent of the bravery which Slovenes have demonstrated time and again during their long history which goes back over 1,000 years.

Fortunately, being indomitable fighters for their freedom and for their national traditions, they have never been totally submerged in the sea of other peoples which surrounds their country. Politically, because of their relatively small number, their achievements were bound to be limited, but in other spheres of activity, especially in their intellectual and spiritual attainments, they have been second to none in that part of the world.

Although subjected to alien rule in their homeland, the Slovenes succeeded in printing the first book in their own language in the year 1550. The importance of this event is properly appreciated when one bears in mind that this first printed book in the Slovene language was also the first printed book in any Slavic language.

The story of the Slovenes in the United States began during the first half of the 18th century when a group of people from Yugoslavia sailed for America. The Slovenes, like other immigrants, came to America to enjoy freedom and to have the opportunity to develop their rich and varied natural talents as artisans and artists, as laborers and tradesmen, as men of letters and of science, as politicians in public affairs and dedicated public servants in many professions, and above all, as daring and dauntless fighters for the preservation of the American democratic way of life.

According to the latest estimates, there are over 400,000 Slovenes presently residing in the United States. They are

proud and loyal citizens of this great Republic. Through loyalty and pure merit, they have attained high and honored positions in public life. Among such honored individuals are Senator FRANK LAUSCHE of Ohio, Congressman JOHN A. BLATNIK of Minnesota, and Ludwig J. Andolsek, Commissioner of the Civil Service Commission, to mention only a few outstanding public servants.

On this special occasion, I would like to congratulate the many hundreds of Slovenians who reside in the Seventh Congressional District of Illinois, which I have the honor to represent. I am proud that the headquarters of the Slovenian Women's Union of America in Chicago is located in my congressional district. At this time, I would also like to congratulate my good friend, Ludwig A. Leskovar, who is celebrating his 17th anniversary as a Slovene radio broadcaster in Chicago.

The alderman and ward committeeman of the 25th ward, Hon. Vito Marzullo, where hundreds of Slovenians reside, joins me in extending best wishes to the Slovenians on the occasion of their festival day.

It gives me great pleasure to participate in this celebration, and I would like to include at this point in the RECORD, the resolution of Hon. Richard J. Daley, mayor of Chicago, in which he proclaims October 14, 1967, as Slovenian Day in Chicago. The resolution follows:

RESOLUTION

Whereas, Thousands of Americans of Slovenian descent living in Illinois for generations have contrbiuted greatly to the growth and development of our City and State; and,

Whereas, the Slovenians of Illinois have formed and have been active in hundreds of religious, civic, fraternal and patriotic organizations; and,

Whereas, they have contributed in large measure to our American culture, notably in the field of folk-polka music; and,

Whereas, the Slovenian Radio Hour of Chicago, under the direction of Dr. Ludwig A. Leskovar, is celebrating the seventeenth consecutive year of radio broadcasting; and,

Whereas, this year, the Slovenians the world over observe the four hundred seventeenth anniversary of the first printed book, in the year 1550 A.D.; and,

Whereas, this year marks the forty-ninth year since the Slovenian nation gained independence from the Austro-Hungarian Empire, this being on October 29, 1918:

Now, therefore, I, Richard J. Daley, Mayor of the City of Chicago, do hereby declare Saturday, October 14, 1967, to be Slovenian Day in Chicago and urge all citizens to join with the neighbors of Slovenian descent in observance of this time.

IF CONGRESS AND THE ADMINISTRATION ARE SERIOUS ABOUT TAX REFORM AND THE NEED TO DIMINISH THE DEFICIT, HERE IS HOW TO DO IT

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. REUSS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. REUSS. Mr. Speaker, here is a two-step program for improving the Federal tax system by closing tax loopholes, while at the same time immediately raising Federal revenues needed to reduce the current Federal deficit.

Step 1 is the prompt consideration by the House Ways and Means Committee of H.R. 13490, the Tax Reform Act of 1967, which I introduce today for myself, Mr. REES, Mr. COHELAN, Mr. WILLIAM D. FORD, Mr. DOW, Mr. MEEDS, and Mr. ADAMS. The bill would plug or substantially diminish 10 major leaks in our present tax system, saving the Treasury more than $4 billion annually in lost revenues.

Since the House Ways and Means Committee has voted to table the President's 10-percent tax surcharge proposal, it now has the time, and I hope the energy, to tackle the longstanding task of tax reform.

I recognize, however, that congressional deliberations on this bill would take several months. I also recognize the immediate need for additional revenue to repair in part the revenue deficit facing us. Unless we raise additional revenues immediately, a tight money squeeze with disastrous effects on housing seems inevitable.

Step 2, therefore, is for the House Ways and Means Committee immediately to report the President's 10-percent tax surcharge proposal, amended so that it will terminate on March 31, 1968, for the purpose of providing additional Federal revenues right now during the period in which the tax reform proposal is being considered.

While the House Ways and Means Committee has at the moment balked at enacting the President's semipermanent 10-percent tax surcharge, the Committee should be willing to consider an emergency 6-month version of the proposal, which will meet the Treasury's immediate deficit. The President, by promptly stating those budgetary areas which he believes least essential and thus the appropriations most eligible for congressional rescission, could do his part in breaking the impasse.

By March 31, 1968, when the tax surcharge expires, the Tax Reform Act of 1967 will have had a full hearing, and hopefully will have been enacted. At this time, 6 months hence, the House Ways and Means Committee could consider tax legislation anew in light of the revenue to be raised by the Tax Reform Act and the general state of the economy.

The tax scenario, should create a lobby for tax reform of some 50 billion low- and moderate-income taxpayers. To the extent that revenues are raised through the closing of tax loopholes, the 50 million taxpayers making less than $20,000 a year will be relieved of the additional tax burden.

I strongly urge the administration and the Congress to adopt this two-step program.

Following is a title-by-title description of the Tax Reform Act of 1967:

TITLE I: SHORT TITLE AND PROVISION FOR PERFECTING AMENDMENTS

TITLE II: TAXING CAPITAL GAINS UNTAXED AT DEATH—SAVINGS $2.5 BILLION

The Federal revenues this year will be $2.5 billion smaller because capital gains income on appreciated property when it is passed on from generation to generation legally escapes all taxation. If taxpayer sells for $15,000 stock which he bought for $5,000, his tax—at maximum 25-percent capital gains rates—will be $2,500. If he delays a day and dies owning the stock, neither he nor his heirs will pay any income tax, and Uncle Sam will be out the $2,500.

This loophole greatly favors those who have large amounts of accumulated wealth to pass on to the next generation.

Moreover, the anticipation of a tax-free transfer of appreciated property has the unfortunate effect of locking in investment funds which would normally follow investment opportunities. Instead of selling and reinvesting, older people freeze their investment portfolios to save paying capital gains tax.

This income tax loophole can be closed, accompanied by conforming amendments. It was a part of the tax reform program President Kennedy sponsored in 1962. At one point it was approved by the Ways and Means Committee, only to be subsequently lost before the final version of the bill was reported.

TITLE III: ELIMINATING THE UNLIMITED CHARITABLE DEDUCTION—SAVINGS $50 MILLION

A painless way to raise $50 million is to abolish the little-known unlimited charitable deduction.

The ordinary taxpayer may not deduct more than 30 percent of his income for his contributions to charity, no matter how much he gives. Not so with the millionaire looking for a tax dodge. A special dispensation in the tax law allows him to deduct gifts to charity without limit if in eight of 10 previous years a total of 90 percent or better of his taxable income has been given to charity or paid in taxes.

This provision does not require that the millionaire give away or pay in taxes 90 percent of his actual income for nearly a decade to qualify.

For example, to qualify for the unlimited charitable deduction a high-bracket taxpayer with a taxable income of $1 million may give away and pay in State and local taxes 90 percent of his income, or $900,000. But if he manages his affairs well, his $1 million of taxable income will not include a large amount of tax-free interest which he receives on municipal bonds he owns and/or one-half of his sizable capital gains income from his investments. In this way he can virtually escape paying income taxes, while giving away or paying in taxes substantially less than 90 percent of what he earns.

TITLE IV: ELIMINATING SPECIAL TAX TREATMENT FOR STOCK OPTIONS—SAVINGS $100 MILLION

As a result of the stock option loophole, top executives of large corporations are able to receive part of their pay at favorable capital gains rates.

Here is how it works. If a corporation rewards an executive with a bonus or a raise, he must pay income tax on these at ordinary tax rates. If, however, the corporation rewards him by giving him an option to purchase its stock, the profit the executive receives upon selling the stock is taxed as a capital gain, at a maximum tax rate of 25 percent.

On account of this tax break, stock options have become very popular with large corporations, such as Chrysler

Corp. In 1958, Chrysler gave its top executives options to purchase shares of its stock. They exercised the options in 1963, receiving Chrysler stock on which they realized a profit of nearly $4 million. This doubled the nearly $4 million in salaries and bonuses they had received in the 6 years from 1958 through 1963.

But, instead of having to pay income tax at regular rate up to 70 percent on the $4 million profit they received from the sale of the stock, the Chrysler officials only paid income tax at the maximum 25-percent capital gains rate.

As a result of President Kennedy's 1962 request that the stock option loophole be abolished, the Revenue Act of 1964 tightened up the terms qualifying business executives for this privileged treatment. The privilege, however, still remains. It is time to ring down the curtain on it.

By so doing, the saving to the Treasury could well be $100 million.

TITLE V: ELIMINATING THE $100 DIVIDEND EXCLUSION—SAVINGS $200 MILLION

In 1964, one out of every seven taxpayers got a tax break which his fellow taxpayer did not. The lucky ones were generally the high-bracket taxpayers who invested in stocks. They paid no tax on the first $100 of dividends which they received. By contrast, their neighbors who put their money in savings and loans or in Government bonds, paid income tax on all the interest paid them.

The dividend exclusion was first written into the tax law in 1954. The ostensible reason was to compensate for the "double taxation" of dividends which are taxed first to the corporation as corporate income and then again as a dividend when distributed to the taxpayer.

The logic of the double taxation argument would lead to the conclusion that all dividends should escape tax. Uncle Sam would then lose over $2.4 billion in taxes instead of the $200 million he now loses on account of the $100 exclusion. But even the strongest proponents of the 1954 dividend exclusion did not think this appropriate.

Corporations and their shareholders are separate taxable entities. Enterprises are, in fact, incorporated for the very purpose of limiting the owner's liability by separating his income and assets from those of the corporation. Thus, there is no injustice in taxing the owner's and the corporation's incomes independently.

Double taxation, moreover, is a fact of life. Excise, sales, and use taxes are often pyramided on top of each other. The amount of the sales tax on a car, for example, is in part attributable to taxes on the parts which went into it.

Abolishing this special privilege for *shareholders* would increase Treasury revenues by $200 million.

TITLE VI: ELIMINATING THE BENEFITS DERIVED FROM MULTIPLE CORPORATIONS—SAVINGS $150 MILLION

A popular way to avoid high tax rates is to divide the income from one source among a number of largely fictional taxpayers. Dividing a single business enterprise into a number of separate parts for tax purposes has long been a disorder of the corporate world. Since the first $25,000 of corporate income is taxed at a 22-percent rate and the remainder at 48 percent, it is a decided advantage, for example, to have four corporations reporting taxable income of $25,000 each rather than one corporation reporting $100,000.

In a June 20 speech, Assistant Secretary of the Treasury Stanley S. Surrey said that where a single enterprise is involved, it should be taxed as a single enterprise, regardless of how many subsidiaries it is divided into or of whether the division was made for legitimate business or for purely tax reasons.

Ignoring the multiple corporate parts of a single business enterprise would save the Treasury $150 million annually.

TITLE VII: REMOVING THE TAX EXEMPTION ON MUNICIPAL INDUSTRIAL DEVELOPMENT BONDS—SAVINGS $50 MILLION

Cities throughout the country are today issuing municipal bonds, bearing tax-free interest to finance industrial plants and commercial facilities for private, profitmaking corporations.

The usual method by which cities pass their tax benefits to private corporations is to issue bonds to construct a plant in accordance with the corporation's specifications and then to lease the structure to the corporation, using the rental payments to retire the bond. Because the city's bonds are tax free, their interest rate is lower than the interest rates on bonds which the corporation could issue. The corporation reaps the advantage of the low tax-exempt interest rate.

Unlike ordinary tax-exempt municipal bonds which finance at lower tax-exempt interest rates needed public facilities, such as schools, roads, sewers, hospitals, or airports, these municipal industrial development bonds have no redeeming virtue. They are simply an unintentional Federal subsidy to private industry. Plugging this loophole would save the Treasury at least $50 million a year.

TITLE VIII: REDUCING THE MINERAL DEPLETION ALLOWANCE FROM 27½ PERCENT TO 15 PERCENT ON OIL AND FROM 23 PERCENT TO 15 PERCENT ON 41 OTHER MINERALS—SAVINGS $800 MILLION

The most celebrated of tax loopholes is the oil depletion allowance. This allowance spares the oil millionaire from paying income on the first 27½ percent of the gross income from his oil wells—so long as it does not exceed 50 percent of his net income.

In 1964, as a result of this provision, the five largest U.S. oil refiners paid the following percentages of their income in Federal income taxes: Standard Oil of New Jersey, 1.7 percent; Texaco, 0.8 percent; Gulf, 8.6 percent; Socony Mobile, 5.9 percent; Standard of California, 2.1 percent—these tax payments in a year in which corporate taxes rates were 48 percent.

The percentage depletion allowance runs as long as the oil well is producing, bears no relation to investment, and, as a consequence, permits recovery of tax-free income far in excess of actual investment. In fact, the Treasury has recently disclosed that, on an average, the cost of an oil well is recovered 19 times over by the depletion allowance.

If depletion were not computed on a percentage basis, but were, like ordinary depreciation, limited to the cost of the oilwell, it would not be objectionable. The income tax is a tax on income, not on capital which is used up.

Ideally, then, percentage depletion should be replaced with cost depletion. But since this is a practical tax reform package which can be enacted, this title includes only a provision that the percentage depletion allowance be reduced by less than one-half, from 27½ to 15 percent, the percentage now applicable to over 40 other minerals.

At the same time, this title would reduce to 15 percent the mineral depletion allowance on 41 minerals now enjoying a 23-percent depletion rate. These two reforms would put a ceiling on all percentage depletion of 15 percent.

In his 1950 tax message, President Truman said:

> I know of no loophole in the tax laws so inequitable as the excessive depletion exemptions now enjoyed by oil and mining interests.

He then proposed in that year, and again in 1951, to limit the mineral depletion deduction to 15 percent.

The revenue gain from this modest reduction of a special privilege would be at least $800 million annually.

TITLE IX: ESTABLISHING THE SAME RATE FOR GIFT AND ESTATE TAXES—SAVINGS, $100 MILLION

Present tax law places a premium on a person giving away his property during his lifetime. Three thousand dollars can be given away annually to each of any number of individuals without paying gift tax. Over and above these amounts, $30,000 can be given away by a person during his lifetime without paying gift tax. Finally, any taxable gift is taxed at only three-quarters of the estate tax rate on property which is transferred at death.

Proposed here is a simple 25-percent increase in gift tax rates so that property given away is taxed at the same rate without regard to whether it is given during the donor's lifetime or at his death.

On June 20, Assistant Secretary Surrey called for a major overhaul of the gift and estate taxes in order to eliminate this and other inequities. One hundred million dollars in revenues could be gained quickly by the reform incorporated in this title.

TITLE X: ELIMINATING PAYMENT OF ESTATE TAXES BY THE REDEMPTION OF GOVERNMENT BONDS AT PAR—SAVINGS, $50 MILLION

If upon death a person faces a $100,000 probable estate tax bill and has a smart lawyer, the lawyer will advise his client to buy $100,000 worth of long-term U.S. Government bonds. Why? Because the U.S. Treasury will redeem its bonds at par in payment of estate taxes, no matter what his client paid for them. If his client, for example, buys Government bonds for $80,000 and his estate turns them in at $100,000 the decedent reduces his estate tax bill by 20 percent.

Uncle Sam loses $50 million a year as a result of his little known generosity.

TITLE XI: ELIMINATING ACCELERATED DEPRECIATION ON SPECULATIVE REAL ESTATE—SAVINGS $100 MILLION

This title would repeal section 1250 of the Internal Revenue Code, permitting

accelerated tax depreciation on speculative investment real estate.

As the law now stands generally speaking an owner of real estate may take an accelerated depreciation deduction against his ordinary income, sell his real estate, and then receive capital gain income at the lower capital gain tax rate for the difference between the sale price and the depreciated value of the property.

The effect of this provision is to allow income which would normally be taxed at regular tax rates to be taxed at lower capital gains rates.

President Kennedy requested this reform in his tax reform program of 1963.

Mr. Speaker, I include a copy of H.R. 13490 at this point in the RECORD:

H.R. 13490

A bill to amend the Internal Revenue Code of 1954 to raise needed additional revenues by tax reform

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—GENERAL PROVISIONS

Sec. 101. Short title, etc.

(a) SHORT TITLE.—This Act may be cited as the "Tax Reform Act of 1967".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made a section or other provision of the Internal Revenue Code of 1954.

Sec. 102. Technical and conforming changes.

The Secretary of the Treasury or his delegate shall, as soon as practicable but in any event not later than 90 days after the date of the enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives a draft of the technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.

TITLE II—CAPITAL GAINS UNTAXED AT DEATH

Sec. 201. Carryover of basis at death.

(a) AMENDMENT OF SECTION 1014.—Section 1014 (relating to basis of property acquired from a decedent) is amended by adding at the end thereof the following new subsection:

"(d) DECEDENTS DYING AFTER DECEMBER 31, 1967.—In the case of a decedent dying after December 31, 1967, this section shall not apply to any property for which an adjusted carryover basis is provided by section 1023."

(b) ADJUSTED CARRYOVER BASIS.—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by redesignating section 1023 as section 1024 and by inserting after section 1022 the following new section:

"Sec. 1023. Adjusted carryover basis for certain property acquired from a decedent dying after December 31, 1967.

"(a) GENERAL RULE.—Except as otherwise provided in this section, if—

"(1) carryover basis property is acquired from a decedent dying after December 31, 1967, and

"(2) the gross estate at death of the decedent exceeds $60,000,

then the basis of such property in the hands of the person so acquiring it shall be the adjusted basis of the property immediately before the death of the decedent, further adjusted as provided in this section.

"(b) CARRYOVER BASIS PROPERTY DEFINED.—For purposes of this section, the term 'carryover basis property' means any property acquired from a decedent dying after December 31, 1967, which is property described in paragraph (1), (2), (3), (4), (6), or (9) of section 1014(b), other than—

"(1) property acquired by the decedent before January 1, 1951,

"(2) property (not including property of extraordinary value) which is a personal or household effect,

"(3) property acquired by any person from the decedent before his death which was disposed of by such person before the decedent's death,

"(4) property described in section 2042 (relating to proceeds of life insurance), and

"(5) property which constitutes a right to receive an item of income in respect of a decedent under section 691.

"(c) INCREASE IN BASIS.—

"(2) IN GENERAL.—The basis of carryover basis property in the hands of the person acquiring it from the decedent shall be increased by its proportionate share of the Federal and State estate taxes attributable to the net appreciation in value of all carryover basis properties.

"(2) MINIMUM INCREASE.—In the case of any decedent, the aggregate increase under paragraph (1) shall not be less than whichever of the following amounts is the greater:

"(A) the amount (if any) by which $60,000 exceeds the aggregate bases of all property included in the gross estate (such bases to be determined after the application of section 1014 but before any adjustment under this section), or

"(B) the amount (if any) by which $15,000 exceeds the amount by which the aggregate bases of all property to which section 1014 applies (such bases to be determined after the application of section 1014) is greater than the aggregate adjusted bases of such property immediately before the death of the decedent.

"(3) MANNER OF ALLOCATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the increase under this subsection in the basis of each carryover basis property shall be that amount which bears the same ratio to the aggregate increase determined under paragraphs (1) and (2) as the appreciation in value of such property bears to the aggregate appreciation in value of all carryover basis properties having appreciation in value.

"(B) SPECIAL RULE FOR SECTION 303 REDEMPTIONS.—To the extent the decedent provides by will, the increase in basis under this subsection shall be allocated first to stock which is carryover basis property and which after his death is redeemed under section 303 (relating to distributions in redemption of stock to pay death taxes). Any remaining increase in basis under this subsection shall be allocated among the other carryover basis property in accordance with subparagraph (A).

"(4) FAIR MARKET VALUE LIMITATION.—The increase under this subsection in the basis of any property shall not exceed the increase necessary to produce a basis equal to the fair market value of such property.

"(d) FURTHER INCREASE IN BASIS FOR CERTAIN STATE SUCCESSION TAX PAID BY TRANSFEREE OF PROPERTY.—If—

"(1) any person acquires carryover basis property from a decedent, and

"(2) such person actually pays an amount of estate, inheritance, legacy, or succession tax with respect to such property to any State or possession of the United States or to the District of Columbia for which the estate is not liable,

then the basis of such property (after any adjustment under subsection (c)) shall be increased (but not above its fair market value) by the portion of such amount which is attributable to the appreciation in value of such property.

"(e) TREATMENT OF COMMUNITY PROPERTY.—

"(1) IN GENERAL.—The surviving spouse's interest in all community property—

"(A) for purposes of subsections (a)(2) and (c)(2), shall be treated as included in the gross estate of the decedent,

"(B) for purposes of this section (other than subsection (d)), shall be treated as property acquired from the decedent, and

"(C) for purposes of subsections (b)(1) and (e), shall be treated as property held by the decedent.

"(2) COMMUNITY PROPERTY DEFINED.—For purposes of paragraph (1), the term 'community property' means property—

"(A) held by the decedent and the surviving spouse as community property under the laws of any State or possession of the United States, or any foreign country, and

"(B) at least one-half of the whole community property interest in which was includible in determining the value of the decedent's gross estate under chapter 11.

"(f) SPECIAL RULES AND DEFINITIONS FOR APPLICATION OF SUBSECTION (c).—For purposes of subsection (c)—

"(1) FEDERAL AND STATE ESTATE TAXES.—The term 'Federal and State estate taxes' means only—

"(A) the tax imposed by section 2001 or 2101, reduced by (i) any credit allowable with respect to a tax on prior transfers by section 2013 or 2102, and (ii) any credit allowable with respect to State death taxes under section 2011 or 2102, and

"(B) any estate, inheritance, legacy, or succession taxes, for which the estate is liable, actually paid by the estate to any State or possession of the United States, or to the District of Columbia.

"(2) FEDERAL AND STATE ESTATE TAXES ATTRIBUTABLE TO NET APPRECIATION IN VALUE.—The term 'Federal and State estate taxes attributable to the net appreciation in value of all carryover basis properties' means that amount which bears the same ratio to the Federal and State estate taxes as the net appreciation in value of the carryover basis properties bears to the value of the gross estate (as defined in section 2031 or section 2103).

"(3) NET APPRECIATION.—The net appreciation in value of all carryover basis properties is the amount by which the fair market value of all such property exceeds the adjusted basis of such property immediately before the death of the decedent.

"(4) GIFTS.—In the case of carryover basis property acquired from the decedent by gift, the increase in basis under subsection (c) shall not exceed the amount by which the increase under such subsection is greater than the increase allowable under section 1015(d).

"(5) CHARITABLE GIFTS.—If—

"(A) a deduction is allowable under section 2055 or 2106(a)(2) with respect to any property, and

"(B) such property is specifically identifiable as passing from the decedent to a use specified in such section,

then, to the extent of such deduction, such property shall be treated as property which is not carryover basis property.

"(g) OTHER SPECIAL RULES AND DEFINITIONS.—

"(1) FAIR MARKET VALUE.—For purposes of this section, when not otherwise distinctly expressed, the term 'fair market value' means fair market value determined under chapter 11 (including section 2032, relating to alternate valuation).

"(2) PROPERTY PASSING FROM THE DECEDENT.—For purposes of this section, property passing from the decedent shall be treated as property acquired from the decedent.

"(3) DECEDENT'S BASIS UNKNOWN.—If the facts necessary to determine the basis (unadjusted) of carryover basis property immediaitely before the death of the decedent

are unknown to the person acquiring such property from the decedent, such basis shall be treated as being the fair market value of such property as of the date (or approximate date) at which such property was acquired by the decedent or by the last preceding owner in whose hands it did not have a basis determined in whole or in part by reference to its basis in the hands of a prior holder.

"(4) CERTAIN MORTGAGES.—For purposes of subsections (c) and (d), if—

"(A) there is an unpaid mortgage on, or indebtedness in respect of, property,

"(B) such mortgage or indebtedness does not constitute a liability of the estate, and

"(C) such property is included in the gross estate undiminished by such mortgage or indebtedness,

then the value of such property to be treated as included in the gross estate shall be the value of such property, diminished by such mortgage or indebtedness.

"(5) DECEDENTS NONRESIDENT AND NOT CITIZENS.—In the case of a decedent nonresident not a citizen of the United States—

"(A) this section shall be applied by substituting for the figure '$60,000' wherever it appears the amount of the exemption determined under section 2106(a)(3), and

"(B) subsection (c)(2)(B) shall be applied by substituting for the figure '$15,000' the amount which is equal to ¼ of the amount of the exemption determined under section 2106(a)(3).

"(h) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(c) AMENDMENT OF SECTION 1016(a).—Section 1016(a) (relating to adjustments to basis) is amended by striking out the period at the end thereof and by inserting in lieu thereof a semicolon and by adding at the end thereof the following new paragraph:

"(22) to the extent provided in section 1023, relating to adjusted carryover basis for certain property acquired from a decedent dying after December 31, 1967."

(d) AMENDMENT OF SECTION 691(c).—

(1) Section 691(c)(2)(A) (relating to deduction for estate tax in case of income in respect of decedents) is amended to read as follows:

"(A) The term 'estate tax' means Federal and State estate taxes (within the meaning of section 1023(f)(1))."

(2) Section 691(c)(2)(C) is amended to read as follows:

"(C) The estate tax attributable to such net value shall be an amount which bears the same ratio to the estate tax as such net value bears to the value of the gross estate."

(e) INFORMATION REQUIREMENT.—

(1) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 (relating to information concerning persons subject to special provisions) is amended by inserting after section 6039 the following new section:

"Sec. 6039A. Information regarding basis of property acquired from a decedent.

"(a) IN GENERAL.—Every executor (as defined in section 2203) shall furnish with respect to the property of the decedent such information as the Secretary or his delegate may prescribe by regulations relating to—

"(1) the name and last address of the decedent;

"(2) the name and address of each person acquiring property from the decedent or to whom the property passed from the decedent, and a description of each item of such property;

"(3) the adjusted basis (within the meaning of section 1011) of each such item in the hands of the decedent immediately before his death; and

"(4) any other information similar or related in nature to that specified in this paragraph.

If an executor is unable to furnish all of the information required under this paragraph with respect to an item of property, he shall include in his return as much of such information as he is able to, including a description of such item and the name of every person holding a legal or beneficial interest therein, and, upon notice from the Secretary or his delegate, such person shall be treated with respect to such item as if he were an executor for purposes of this section.

"(b) STATEMENTS TO BE FURNISHED TO PERSONS WHO ACQUIRE PROPERTY FROM A DECEDENT.—Every executor who is required to furnish information under subsection (a) shall furnish in writing to each person described in subsection (a)(2) such information with respect to each item of property acquired from the decedent or passing from the decedent to such person as is required under subsection (a) and which the Secretary or his delegate may prescribe by regulations."

(2) PENALTIES.—Subchapter B of chapter 68 (relating to assessable penalties) is amended by adding at the end thereof the following new section:

"Sec. 6684. Failure to file information with respect to basis of property acquired from a decedent.

"(a) INFORMATION REQUIRED TO BE FURNISHED TO THE SECRETARY.—Any executor who fails to furnish information required under section 6039A(a) on the date prescribed therefor (determined with regard to any extension of time for filing) shall pay a penalty of 1 percent of the fair market value of the property described in section 6039A(a)(2), or $5,000, whichever is less, for such failure, unless it is shown that such failure is due to reasonable cause and not to willful neglect.

"(b) INFORMATION REQUIRED TO BE FURNISHED TO BENEFICIARIES.—Any executor who fails to furnish in writing to each person described in section 6039A(a)(2) the information required under section 6039A(b), unless it is shown that such failure is due to reasonable cause and not to willful neglect, shall pay (upon notice and demand by the Secretary or his delegate and in the same manner as tax) $50 for each such failure, but the total amount imposed for all such failures shall not exceed $1,000."

(f) DISCHARGE OF EXECUTOR FROM PERSONAL LIABILITY.—Section 2204 (relating to discharge of executor from personal liability) is amended by striking out "notified," where it appears in the second sentence of such section and inserting in lieu thereof "notified or on furnishing of a bond pursuant to section 6165 in circumstances in which the Secretary or his delegate is satisfied that such payment will be made,".

Sec. 202. Effective date.

The amendments made by section 201 shall apply only with respect to decedents dying after December 31, 1967.

TITLE III—REPEAL OF UNLIMITED CHARITABLE DEDUCTION

Sec. 301. Repeal of deduction.

Sections 170(b)(1)(C) (relating to unlimited deduction for certain individuals) and 170(g) (relating to application of unlimited deduction) are repealed.

Sec. 302. Effective date.

Section 301 shall apply with respect to taxable years ending after December 31, 1967.

TITLE IV—REPEAL OF STOCK OPTION PROVISIONS

Sec. 401. Repeal of provisions.

(a) QUALIFIED STOCK OPTIONS.—Section 422 (relating to qualified stock options) is repealed.

(b) RESTRICTED STOCK OPTIONS.—Section 424 (relating to restricted stock options) is repealed.

Sec. 402. Effective date.

Section 401 shall apply with respect to options granted after December 31, 1967.

TITLE V—REPEAL OF DIVIDEND EXCLUSION

Sec. 501. Repeal.

Section 116 (relating to partial exclusion from gross income of dividends received by individuals) is repealed.

Sec. 502. Effective date.

Section 501 shall apply with respect to taxable years ending after December 31, 1967.

TITLE VI—MULTIPLE SURTAX EXEMPTION

Sec. 601. Repeal of privilege of groups to elect exemption.

Section 1562 (relating to privilege of groups to elect multiple surtax exemptions) is repealed.

Sec. 602. Effective date.

Section 601 shall apply with respect to taxable years ending after December 31, 1967.

TITLE VII—MUNICIPAL INDUSTRIAL DEVELOPMENT BONDS

Sec. 701. Elimination of exemption.

(a) IN GENERAL.—Section 103 (relating to interest on certain governmental obligations) is amended by redesignating subsection (c) as subsection (e), and by inserting after subsection (b) the following new subsection:

"(c) INDUSTRIAL DEVELOPMENT BONDS.—

"(1) SUBSECTION (a)(1) NOT TO APPLY.—Any industrial development bond (as defined in paragraph (2)) issued after December 31, 1967, shall not be considered an obligation described in subsection (a)(1).

"(2) INDUSTRIAL DEVELOPMENT BOND DEFINED.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'industrial development bond' means an obligation the payment of the principal or interest on which is—

"(i) secured in whole or in part by a lien, mortgage, pledge, or other security interest in property of a character subject to the allowance for depreciation, or

"(ii) secured in whole or in part by an interest in (or to be derived primarily from) payments to be made in respect of money or property of a character subject to the allowance for depreciation,

which is or will be used, under a lease, sale, or loan arrangement, for industrial or commercial purposes.

"(B) EXCEPTIONS.—For purposes of subparagraph (A), property shall not be treated as used for industrial or commercial purposes if it is used—

"(i) to provide entertainment (including sporting events) or recreational facilities for the general public;

"(ii) to provide facilities for the holding of a convention, trade show, or similar event;

"(iii) as an airport, dock, wharf, or similar transportation facility;

"(iv) in the furnishing or sale of electric energy, gas, water, or sewage disposal services; or

"(v) in an active trade or business owned and operated by an organization described in subsection (a)(1).

"(3) EXCEPTION.—Paragraph (1) shall not apply to any obligation issued before January 1, 1969, for a project assisted by the United States under title I of the Housing Act of 1949 (42 U.S.C. 1450 and following, relating to slum clearance and urban renewal) or under title I or title II of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3131 and following)."

(b) CERTAIN URBAN RENEWAL BONDS.—Section 102(g) of the Housing Act of 1949, as amended (42 U.S.C. 1152(g)), is amended to read as follows:

"(g) Obligations, including interest thereon, other than industrial development bonds (within the meaning of section 103(c) of the Internal Revenue Code of 1954), issued by local public agencies for projects assisted pursuant to this title, and income derived by such agencies from such projects, shall be

exempt from all taxation now or hereafter imposed by the United States."

Sec. 702. Effective date.

The amendments made by section 701 shall apply with respect to taxable years ending after December 31, 1967.

TITLE VIII—PERCENTAGE DEPLETION RATES FOR OIL, GAS, AND CERTAIN OTHER MINERALS

Sec. 801. Reduction in rates.

Section 613(b) (relating to percentage depletion rates) is amended—

(1) by striking out "27½ percent" in paragraph (1) and inserting in lieu thereof "15 percent"; and (2) by striking out "23 percent" in paragraph (2) and inserting in lieu thereof "15 percent".

Sec. 802. Effective date.

Section 801 shall apply with respect to taxable years ending after December 31, 1967.

TITLE IX—INCREASE IN GIFT TAX RATES TO ESTATE TAX LEVEL

Sec. 901. Increase in rates.

The table in section 2502(a) (relating to computation of tax) is amended to read as follows:

"RATE SCHEDULE

"If the taxable gifts are:	The tax shall be:
Not over $5,000	3% of the taxable gifts.
Over $5,000 but not over $10,000.	$150, plus 7% of excess over $5,000.
Over $10,000 but not over $20,000.	$500, plus 11% of excess over $10,000.
Over $20,000 but not over $30,000.	$1,600, plus 14% of excess over $20,000.
Over $30,000 but not over $40,000.	$3,000, plus 18% of excess over $30,000.
Over $40,000 but not over $50,000.	$4,800, plus 22% of excess over $40,000.
Over $50,000 but not over $60,000.	$7,000, plus 25% of excess over $50,000.
Over $60,000 but not over $100,000.	$9,500, plus 28% of excess over $60,000.
Over $100,000 but not over $250,000.	$20,700, plus 30% of excess over $100,000.
Over $250,000 but not over $500,000.	$65,700, plus 32% of excess over $250,000.
Over $500,000 but not over $750,000.	$145,700, plus 35% of excess over $500,000.
Over $750,000 but not over $1,000,000.	$233,200, plus 37% of excess over $750,000.
Over $1,000,000 but not over $1,250,000.	$325,700, plus 39% of excess over $1,000,000.
Over $1,250,000 but not over $1,500,000.	$423,200, plus 42% of excess over $1,250,000.
Over $1,500,000 but not over $2,000,000.	$528,200, plus 45% of excess over $1,500,000.
Over $2,000,000 but not over $2,500,000.	$753,200, plus 49% of excess over $2,000,000.
Over $2,500,000 but not over $3,000,000.	$998,200, plus 53% of excess over $2,500,000.
Over $3,000,000 but not over $3,500,000.	$1,263,200, plus 56% of excess over $3,000,000.
Over $3,500,000 but not over $4,000,000.	$1,543,200, plus 59% of excess over $3,500,000.
Over $4,000,000 but not over $5,000,000.	$1,838,200, plus 63% of excess over $4,000,000.
Over $5,000,000 but not over $6,000,000.	$2,468,200, plus 67% of excess over $5,000,000.
Over $6,000,000 but not over $7,000,000.	$3,138,200, plus 70% of excess over $6,000,000.
Over $7,000,000 but not over $8,000,000.	$3,838,200, plus 73% of excess over $7,000,000.

"RATE SCHEDULE—continued

"If the taxable gifts are:	The tax shall be:
Over $8,000,000 but not over $10,000,000.	$4,568,200, plus 76% of excess over $8,000,000.
Over $10,000,000	$6,088,200, plus 77% of excess over $10,000,000.".

Sec. 902. Effective date.

Section 901 shall apply with respect to calendar years after 1967.

TITLE X—USE OF UNITED STATES BONDS TO PAY ESTATE TAX

Sec. 1001. Repeal of authority to use bonds for tax payments.

(a) REPEAL.—Section 14 of the Second Liberty Bond Act (31 U.S.C. 765) is repealed.

(b) PROHIBITION AGAINST USE OF BONDS.—Notwithstanding any other provision of law, no bond or other obligation of the United States may be accepted by the Secretary of the Treasury in satisfaction of any amount of Federal estate tax liability greater than the fair market value of such obligation at the time it is presented as payment of such liability.

Sec. 1002. Effective date.

Section 1001 shall apply with respect to obligations acquired after December 31, 1967.

TITLE XI—GAINS FROM THE DISPOSITION OF DEPRECIABLE REALTY

Sec. 1401. Inclusion of realty as section 1245 property.

(a) AMENDMENT OF SECTION 1245.—Section 1245 (a)(3) (relating to gain from dispositions of certain depreciable property) is amended by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively, and by inserting immediately after subparagraph (A) the following new subparagraph:

"(B) any real property which is or has been property of a character subject to the allowance for depreciation provided in section 167, or".

(b) REPEAL OF SECTION 1250.—Section 1250 (relating to gain from dispositions of certain depreciable realty) is repealed.

Sec. 1402. Effective date.

This title shall apply to dispositions occurring after December 31, 1967.

A TRIBUTE TO CASIMIR PULASKI ON THE OCCASION OF PULASKI DAY

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. RODINO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. RODINO. Mr. Speaker, I would like to add my voice, on this occasion, to the chorus of praise accorded the exploits of Casimir Pulaski, a mighty son of Poland and champion of the democratic cause.

Born to royalty, Pulaski had every opportunity of making the most of status quo conditions in 18th century Europe. Without struggle, without difficulty, he could have lived the life of splendor and magnificence as a member of the Polish Royal Court, in keeping with his family traditions.

Pulaski, however, was a man of great imagination, conscience, and democratic spirit; so much so that he could not tolerate the outrage of tyranny. Joining with others, he was successful, for a time, in establishing effective resistance to foreign encroachment on Polish soil and foreign domination of Polish governmental affairs. Pulaski and his kind were worn down, however, and overwhelmed by an alliance of foreign adventurers and less principled Polish noblemen. Following the overthrow, in 1772, of Polish republican government established under the so-called Confederation of Bar, Pulaski and other Polish patriots were driven from the land, seeking sanctuary. The cause of Polish independence apparently was dead.

Advised of the impending American revolution, Pulaski became the advocate of American principles, and offered his services to American officials in France. A cavalry officer of high degree, experienced in battle, he was of course gratefully received, and by the summer of 1777, was in America, ready for services in the democratic cause.

At Brandywine, Germantown, and Valley Forge, the courage of Pulaski inspired American troops, and following every bold performance he was promoted, until at last he was directed south to lead the Colonial cavalry against the British forces in the South. A dashing figure on the battlefield, a man of fearless determination, he had become, by 1779, a spectacular symbol of foreign participation in the Colonial cause.

At the height of his fame, recognized for valor and ability, he organized and led a cavalry charge against the enemy, at Savannah, in October, 1779. The British resistance was intense and Pulaski was severely wounded in the battle. Several days later, he died.

To every American patriot, the loss of Pulaski appeared in the nature of catastrophe. His dauntless spirit and numerous accomplishments rendered him a hero of unprecedented proportions, and his loss was mourned on a National scale.

On this day, marking the anniversary of his demise, we hail the memory of Pulaski—a man of principle, of courage, and high attainments, and a man to whom the struggle for democracy was the most important motivating factor in the world.

COLUMBUS DAY, 1967

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. RODINO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. RODINO. Mr. Speaker, today I am pleased to again pay tribute to Christopher Columbus, the grand admiral of the oceans who heroically braved the myth and mysteries of the terrifying, uncharted Atlantic to discover America.

That bold and daring venture, a major milestone in the history of mankind, deserves to be remembered anew each year. In and of itself, it is sufficient reason to justify a national celebration in a country that owes its existence to that magical moment of discovery.

This year October 12 has a special significance, for hearings have just been

completed on proposed legislation I have introduced to designate Columbus Day as a national holiday. On this day next year, it is my hope that the legislation will be law, and that the entire Nation will join together in commemorating the valiant achievement of Columbus in opening the new world to civilization and settlement.

I do not mind admitting for the record that I have dreamed of such a national holiday since early boyhood, and that I have worked with diligence and dedication to make this dream a reality ever since my election to Congress in 1948.

In pursuit of this goal, it was my privilege to serve as national chairman of the Citizens Committee for Columbus Day.

From this vantage point, I made a wonderful and heartening discovery of my own.

I learned that I was not one of a small group that had embraced this cause; but rather that I was a part of a large, broad-based cross-section of representative Americans from every walk of life who shared a desire to bring about the creation of Columbus Day as a national holiday.

The list of proponents is lengthy, imposing, and impressive, headed by President Johnson and Vice President HUMPHREY. And going back over the years to many others of equal stature, it includes Governor Hughes from my home State of New Jersey, elected and appointed officials, judges, scientists, educators, leaders of business and commerce, labor officials, white collar workers, blue collar workers, and housewives.

It is particularly significant to realize that today 38 of our 50 States are observing October 12 as a State holiday. And these 38 States include the most populous in the Nation, together accounting for all but a tiny percentage of our total population.

Mr. Speaker, such overwhelming numbers and support cannot be ignored. It is especially incumbent upon the Congress of the United States, the basic focal point of representative democracy, to heed the message of these overwhelming numbers and to act in accordance with the will of the majority of the people.

If the Congress is truly and accurately to be reflective of the view of the majority on this question, it should move forward with speed and determination to enact the legislation now under consideration, which is similar to a measure passed by the Senate in the 88th Congress.

As one who has given considerable thought to the question, I would like to outline my thoughts on the objectives of creating a national holiday on Columbus Day.

As I envision it, Columbus Day would me a multipurpose national holiday.

It would, of course, recognize the magnificent accomplishment of the fearless Genovese navigator who sailed ever onward despite the fears and obstacles which continually rose to confront him.

Whether Columbus was actually the first or second, or even the third, voyager to reach these shores is purely academic and totally irrelevant. It detracts nothing from the intrepid admiral's daring and determination. It subtracts nothing from the everlasting significance of his unique and monumental achievement.

This leads me to my thoughts on the second objective of a national Columbus Day observance.

It would, in my judgment, be an ideal day for an annual reaffirmation by the American people of their faith in the future, a declaration of willingness to face with confidence the imponderables of unknown tomorrows.

In the courageous spirit of Columbus, we would pay tribute to the virtue of perseverance against the paralysis of baseless, ill-founded fear.

Further, Columbus Day would be a perfect occasion for the Nation to pause each year to pay homage to the cause and challenge of discovery, invention, and exploration.

It would be a time to review our progress in the search for technological advances to improve our way of life by making it better, safer, and more satisfying; to evaluate our gains in the patient quest for cures to diseases that kill and cripple; to appraise the wondrous probes into the vast and awesome void of outer space.

Finally, Columbus Day would be a day to honor immigrants of all nationalities and acknowledge their contributions to the building of a strong, just, and prosperous United States of America.

President Kennedy correctly called us a nation of immigrants, and the Congress already has acted to establish Ellis Island as a permanent reminder of our indebtedness to those who came from foreign soil and gave their brain and their brawn—and not infrequently, their lives—that their adopted land might grow and flourish.

Just as George Washington deservedly is called the "Father of our Country," so Christopher Columbus deservedly should be remembered as the "Father of Immigration," for on his second, third, and fourth voyages he made the first attempts at colonization in the new world.

And even the first journey had an international character. Let us not overlook the fact that Columbus was an Italian whose fleet was provided by the Spaniards and whose crew was recruited largely from among Portuguese sailors.

From the very beginning, this country was indebted to the courage and sacrifice of the men of more than one nation, and this debt has increased with each passing year.

In honoring our immigrants on Columbus Day we will do more than show our gratitude for their countless contributions. We will be simultaneously striking a powerful blow against discrimination and the intolerable prejudice of those who insist upon measuring a man by where he comes from, or where his parents or their parents came from, without regard for individual ability, integrity, loyalty or any other distinguishing and commendable characteristic.

Discrimination is not compatible with democracy. Prejudice is alien to the principles on which this country was created. Bigotry is foreign to the ideals and truths to which this country was dedicated. The observance of Columbus Day as a national holiday will, I feel sure, prove to be effective in blotting out the vestiges of discrimination, prejudice, and bigotry in the Nation.

Mr. Speaker, in honoring Christopher Columbus today we are also reaffirming our faith in his spirit—one of courage, stamina and determination to continue an unswerving advance, undaunted and unafraid, in the enlightened pursuit of humanitarian goals and honorable objectives.

ORDER SONS OF ITALY IN AMERICA SUPPORTS COLUMBUS DAY LEGISLATION

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. RODINO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. RODINO. Mr. Speaker, recently House Judiciary Subcommittee No. 4 held hearings on proposed legislation to establish Columbus Day as a national legal holiday. I was very pleased to have the opportunity to read the fine testimony of the Order Sons of Italy in America, the largest organization representing people of the United States, Canada, and Bermuda who are of Italian heritage.

Mr. Michael A. Rivisto, supreme national deputy of the Order Sons of Italy in America, presented an eloquent, effective statement outlining the organization's reasons for supporting this legislation to create a truly unifying and inspiring new national holiday. As Mr. Rivisto states:

> Let Columbus Day be a reminder to all of us what can be done, what can be accomplished, if one is guided by the virtues of determination, resourcefulness, courage and belief in a divine mission which urged Columbus forward to build that first highway across the dark expanses of the Atlantic.

For the information of my colleagues, I include the full text of this statement in the RECORD at this point:

STATEMENT OF MICHAEL A. RIVISTO, SUPREME NATIONAL DEPUTY, ORDER SONS OF ITALY IN AMERICA, BEFORE THE SUBCOMMITTEE NO. 4 OF THE HOUSE COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES, WASHINGTON, D.C., OCTOBER 5, 1967

Mr. Chairman, and members of this distinguished committee. My name is Michael A. Rivisto. I have the honor and privilege to appear before you as the Supreme National Deputy of the Order Sons of Italy in America and representing the presiding officer of the Order, Supreme Venerable, Peter J. Bertoglio, and the members of this great fraternity which extends throughout the United States, in Canada and Bermuda.

The fraternity of the Sons of Italy is the largest organization representing people of the United States, Canada and Bermuda of Italian heritage.

To speak of the glories of Christopher Columbus can be regarded as superfluous as paying tribute to the sun, the moon, stars, the oceans and all the other natural phenomena of the world. And yet, there are times when we find ourselves defending the regularity of the mighty forces of the universe.

And, so it is, that today the Order Sons of

Italy in America asks this distinguished Committee to accomplish, what I believe is obvious, that is, to report favorably to Congress the enactment of the House Bill which would make Columbus Day a national holiday. It should be most natural, logical and rational that Columbus Day be declared a national holiday. The very national government functions in a land gloriously, poetically and factually entitled the District of *Columbia*. This region, undoubtedly one of the most beautiful in the world architecturally, artistically, and scenically was named the District of Columbia—by whom? By the very founders of our government. The Constitution of the United States, in Article I, Section 8, Subsection 17, provided that the Government of the United States was to be housed in a territory not exceeding 10 miles square, and the First Congress named that territory after Christopher Columbus, the discoverer of this land.

Recently there have been many theories advanced, many abstract ideas discussed, many speculations indulged in, that Columbus was not the first white man to set foot on this continent.

Without seeking to disparage the efforts of some scholars delving into the subject of the discovery of America, I cannot accept that those in the 20th century would know more about the realities of the revelation of this hemisphere than those who lived closer in time to the geographical and historical facts.

The great statesmen of the days of George Washington named the seat of our government the District of Columbia—and so it is the District of Columbia. And I submit to you, Mr. Chairman and members of this distinguished Committee, that it is anomalous that in this very area named Columbia by the godfathers of our nation, Columbus Day should not be a federal holiday when in 37 individual states of the Union, Columbus Day *is* an official holiday.

It is the official position of the Order Sons of Italy in America that Christopher Columbus discovered America, that it was his wisdom, his courage, his heaven-inspired determination that finally tore away the misty curtains which had concealed this part of the world from the rest of the world. Even if it were to be speculated that some seafarer, buffeted by storm and carried by running tides, was blown ashore on these lands prior to 1492, it must be admitted that nothing ever came from that chance swamping in the surf on America's rocky shores. No footprints of history ever marked that hypothetical landing, not a physical marking establishes that supposed, bewildering scrambling in the sands of unrecorded antiquity.

In any case, such a landing, if there was one, was accidental, ephemeral, and nothing ever came of it.

Columbus' landing, on the other hand, was like the building of a bridge. From October 12, 1492, the traffic from the old world to the new has been continuous, ever-augmenting, and unceasing. On October 12, 1492, American civilization began. From October 12, 1492, not a day passed that the human race did not progress, as it had never progressed before—economically, scientifically, sociologically and politically.

Even if it were argued, although I submit it is a foolish and futile argument, that if Columbus had not discovered America somebody else would have discovered it later, it must be admitted that mankind gained in the race for supreme enlightenment all the time that would have elapsed between Columbus's landing and some future, hypothetical landing.

We know that from the day of creation to October 12, 1492, this land we call the United States of America was but a blank page in the archives of human attainment. We know that ever since October 12, 1492, no book records more exciting, dramatic and romantic exploits, no book contains more pages of scientific, cultural, commercial, and educational progress than the book of America October 12, 1492; then marks the beginning of a new era, it records the initiation of a new epoch in the development of man and the progress of man. October 12, 1492, indeed marked the birth of America. October 12th is then the natal day of America. And, as such, it should be celebrated as the birthday of America.

No home rings with more merriment, no home vibrates with more joy than it does when it celebrates the birthday of a member of the family. Let us then, all of us, who are members of this vast American family, celebrate the birthday of America on October 12th. On that day, let there be music, poetry, singing, and dancing, let there be surcease from work, let us put aside the burdens of the office, factory and field for a day. Let there be abandonment to recreation and inspiration. Let there be the reminder, in religious services, sermons, speeches, concerts, and processions of what we owe to the Heavenly Father who guided that brave mariner of Genoa across the uncharted seas to discover the riches of a land to be enjoyed by everybody, not only those born to wealth and affluence; to discover a land that would offer equal opportunity to the poor, that would give asylum to the persecuted, that would guarantee religious freedom, that would assure equality of opportunity to all.

Let Columbus Day be a reminder to all of us what can be done, what can be accomplished, if one is guided by the virtues of determination, resourcefulness, courage and belief in a divine mission which urged Columbus forward to build that first highway across the dark expanses of the Atlantic.

Who can speak against making Columbus a national day, and what arguments can they muster? No one can honestly say that the day does not mark an event of sufficient historical magnitude. No one can say that Americans are not entitled to a day of recognition for this glorious American historic heritage, and to pay homage to an immortal man whose divine guided feat began the first chapter of the history of America. October 12, 1492 is that point in the history of man where he found a new world.

Following the immortal day of October 12, 1492 millions of people of all nations, of all races, of different religions and different ideologies came to rest on the shores that Christopher Columbus found to begin the saga of American history.

We cannot deny or ignore the facts of history that because for Christopher Columbus we are here today.

It may be said that America does not need another holiday. I cannot go along with that line of thinking. The life of today is intense, exhausting, high-pressured, physically and mental fatiguing. Doctors, sociologists, research analysts all testify to the need for the American people to slow down, to take things a little easier. Another holiday would be therapeutic, that is, of course, a meaningful holiday. And Columbus Day is that type of a holiday. It embraces religion and history. Columbus Day qualifies as a day of majesty, dignity and spiritual exaltation.

Columbus Day joins well into the calendar. With Labor Day forgotten, with warm weather on the wane with the thought of wintry days ahead, Columbus Day fits excellently into the chronology of the year, being a wonderful crispy October day for recreation and rest between the first Monday of September and Veterans Day in November.

But above all, America is a land of fairness and of justice. We owe to Christopher Columbus the honor which was denied him in his life. The glory which became his after that first voyage was a very short one. The enemies of ignorance, cowardice, and envy assailed him and they prevailed, even to the extent that they tied with heavy chains those legs which had carried him before kings and queens, financiers and scientists as he sought the ships with which to find a new world; those same enemies placed manacles on those brave hands which had held the tiller which guided the Santa Maria to these lands.

After Columbus conferred riches beyond the dreams of avarice on those who were unworthy of his loyalty, after he opened to mankind the vastest vista for advancement since the Lord separated the land from the waters, he was allowed to languish in illness and poverty. He died at the comparatively young age of 53.

But his deeds are immortal. Let us remember them on October 12th of each year. We owe this to Christopher Columbus, we owe this to the millions of immigrants of all countries who, with their brawn, determination and fidelity have made a mighty contribution and continue to make their contribution to this, the greatest land in the world, the United States of America.

The Order Sons of Italy in America recommends to you, Mr. Chairman, and members of this Committee that you urge upon Congress this honor long overdue to Christopher Columbus, immortal discoverer of America, the land of the free, and the empire of fairness and justice. Thank you, gentlemen.

COLUMBUS DAY

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ADDABBO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ADDABBO. Mr. Speaker, today we celebrate the 475th anniversary of the discovery by Christopher Columbus of the "New World." This date is celebrated in 38 States, including my own State of New York, as a legal holiday. The time has come for Federal recognition of this date as a legal holiday.

There are many celebrations across the Nation today, but I am sure that none is more well known than our Columbus Day parade in the city of New York. This parade is sponsored by the Columbus Citizens' Association, headed by Mr. Fortune Pope, an organization which makes a great contribution to our youths through its scholarship program, a program open to all deserving young people.

We owe a great debt to Christopher Columbus for his discovery of a new world, but the greatest debt we owe him is for the hope and inspiration he gave, through his own success, to others. He was the man who acted and thus gave courage to other men to follow. We owe our very being as a nation to this man.

It is my hope that we will see legislation enacted in this 475th anniversary year to make October 12 a legal national holiday, and I urge my colleagues to support this move.

GEN. CASIMIR PULASKI

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ADDABBO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ADDABBO. Mr. Speaker, October 11, 1967, was the 188th anniversary of the death of a man who contributed greatly in this Nation's fight for independence. I, of course, refer to Gen. Casimir Pulaski.

General Pulaski was in the United States for little more than 2 years when he died fighting for us in the Battle of Savannah, but his contributions to our cause were great and will never be forgotten. He fought for freedom in his homeland of Poland and continued to fight for the principles in whch he believed so deeply when he allied himself with Gen. George Washington and took over the cavalry forces of the Continental Army.

General Pulaski today stands as a symbol of the contributions to the United States made by great numbers of Polish-Americans. In honoring the general, we are also saying "thank you" to them.

COLUMBUS DAY

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. MINISH] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MINISH. Mr. Speaker, I rise on the anniversary of the discovery of America to pay tribute to that giant of a man, Christopher Columbus.

In view of my ancestry, this is a day that is close to my heart, but the celebrations taking place throughout the United States today are by no means of interest only to Americans of Italian descent. All of us owe our civilization and way of life to Christopher Columbus, who opened the door to the New World and thus all Americans pay honor to his memory.

Let us reflect today on the courage and determination of the noble Genoese. It can be truthfully said of Columbus that he doubled the size of the known world. If exploration is to be judged by its results, he was the greatest explorer who ever lived, or ever will live, until such time as adventure through space to the other planets. If exploration is to be judged by daring, Columbus, who led an unwilling crew in three small ships into an unknown ocean, peopled with all sorts of legendary monsters and dangers, surely yields to no man in history. If exploration is to be judged by sheer determination, again no man can be ranked higher than Columbus, whose life from boyhood was dedicated to the project of sailing westward to find the Indies; who struggled against poverty, argued with geographers and sailors, and coped with court intrigues until he enlisted the enthusiastic support of a Queen and Court Treasurer; who kept his rebellious and fearful crew on their westward course until his ships reached what he supposed to be the Indies of his dreams. If exploration is to be judged by motive, what motives could be higher than those of Columbus, who without thought of personal gain or power, sailed forth into the void in service of Spain, to mankind, and to God?

Mr. Speaker, at no time were Christopher Columbus' singular virtues more needed than today, as we face new worlds of space, new worlds of scientific discovery, and new worlds of human relationships. Americans should rededicate themselves today to strive to emulate the determination, bravery, and foresightedness of Christopher Columbus.

In this connection, I urge early action on the long-pending legislation to establish Columbus Day as a national holiday. This would be a fitting expression of the significance of the day to all Americans and would give to Columbus the official and permanent national recognition due him. As a sponsor of this meritorious measure, I hope that all Members will lend their full support to its speedy enactment.

GEN. CASIMIR PULASKI

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. MINISH] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MINISH. Mr. Speaker, it is an honor to pay tribute to the noble Polish and American patriot, Casimir Pulaski. Count Pulaski, who fought for his homeland's liberty from Russian domination, laid down his life while aiding the Thirteen Original American Colonies in their struggle to overthrow the enslaving yoke of British colonial tyranny. Pulaski's inspiring life of dedication to liberty and freedom serves as a shining example to all people who love the ideals for which he stood and the cause for which he fought.

Count Casimir Pulaski was born into a family of wealth and status in Padolia, Poland, in 1748. Forsaking the easy life, he fought gallantly to preserve Poland as a sovereign nation against Russian imperialism. Exiled from his own country, he traveled to Paris, where he met Benjamin Franklin. Fired by a burning dedication to freedom, Pulaski made his way to America. To him freedom was not restricted by national boundaries.

Arriving in Philadelphia in the spring of 1777, he volunteered for service in the Continental Army, and distinguished himself almost immediately at the Battle of Brandywine. Just 4 days after that battle, on September 19, 1777, Pulaski was appointed brigadier general by the Continental Congress and put in charge of the cavalry.

After taking part in the Battle of Germantown, he suggested to Gen. George Washington that the Continental Congress form an independent corps of fighting men officered by some of the many foreigners aiding the Revolutionary cause. This request was approved and Pulaski was named to command the new group. "Pulaski's Corps," as they came to be called, rendered invaluable service against the British in the Southern Colonies. In October of 1779, while leading the cavalry in an attack on the British lines at Savannah, Ga., Count Pulaski was shot and fell gravely wounded. A short while later, on October 11, 1779, he died on an American ship in Savannah Harbor.

It is most fitting that President Johnson has issued a proclamation designating October 11 as "General Pulaski Memorial Day."

All Americans should pause to reflect upon, and rededicate themselves to, the principles and ideals of freedom most clearly illustrated in the life of Count Casimir Pulaski. Let us all remember his words:

Whenever on the globe men are fighting for liberty it is as if it were our own affair.

Mr. Speaker, this occasion also gives us the opportunity to note the contributions to our Nation's well-being of those Americans of Polish descent who continue to this day to uphold the great example of Count Pulaski. There are more than 10 million of these fine citizens, and we are indeed blessed by their outstanding contributions to every phase of our national life. They reflect the superb qualities that have made the name of Count Pulaski honored and revered by all freedom-loving people.

SAVING CITIES

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. DENT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DENT. Mr. Speaker, I want to commend President Johnson for his efforts to enlist private enterprise in our fight against urban blight and slums.

The life insurance companies have committed $1 billion to rehabilitation of our slums; the California Savings & Loan Association has committed $100 million to help urban slum areas in California. These actions are illustrative of the President's growing concern that both private and public resources be brought to bear on the problems of our cities.

Most recent the President announced a Federal test program to attract more private help in creating jobs in areas of hard core unemployment. This test program will offer government aids to reduce the risks of private industry willing to build or expand in a ghetto area.

Agreeably, these efforts are new and the results not yet in. However, it is my belief that both government and industry will benefit by pooling their resources—not working at odds—on the problems of our cities. The dimension of the cities' problems are too great for us to continue the age-old feud of business versus government, and vice versa. The development of a creative partnership is encouraging.

I would like to share with my colleagues this interesting account of the new efforts to create jobs in areas of hard core unemployment, which appeared in the Patriot, Harrisburg, Pa., by including it in the RECORD:

SAVING CITIES

(By John Berry)

The Johnson administration has decided to seek the help of private enterprise in meeting urgent requirements of urban slum areas. This is the import of President Johnson's Oct. 2 announcement of a federal test program to attract more private help in creating jobs in areas of hard core unemployment.

Businesses willing to build or expand in a ghetto will find some of the risks reduced by a number of types of government assistance. To succeed, the President said, the venture will require "the concerted action and involvement of the private sector working closely with the federal government."

Riots in a number of cities this past summer make it clear that measures to better the quality of life in slum districts are desperately needed. Federal funds are severely limited by the costs of the Vietnam war—and by the unwillingness of the 90th Congress to step up federal appropriations for antipoverty type programs.

Yet the needs and pressures remain. Under present conditions, the only way to ease them may be for private business interests to lend a hand on a multi-billion-dollar scale.

David Rockefeller, president of the Chase Manhattan Bank, told a Senate committee last November that it was well to recognize that, in improving our cities, capital investment is needed "on an immense scale—an estimated $5 of private capital for each dollar of public funds."

To promote this national support and attract private capital to the slums is the goal of the Urban Coalition, a national group of 800 mayors and business, labor, church and civil rights leaders formed this summer. The group met in Washington on Aug. 24 and declared that the urban crisis requires "a new dimension of effort in both the public and private sectors, working together to provide jobs, housing, education and the other needs of the cities."

The life insurance industry, through its Life Insurance Committee on Urban Problems, announced on Sept. 13 that it was prepared to invest $1 billion in slum real estate. Most of the initial investments will be in projects whose tenants qualify for rent supplements.

President Johnson hailed the companies' announcement and said it was a vote of confidence in the rent supplement program, under which part of a poor tenant's rent is paid by the federal government. However, the House has so far this year refused to appropriate any money for this program. The New Republic on Sept. 30 questioned the true value of the life insurance companies' offer, charging that "The public relations aspect . . . is so far the most explicit thing about it."

The need for inducements to attract private capital to the slums is clear. Historically, profit has been the motivating force behind most private business activity and experience has shown that profits in the slums are scant.

A variety of schemes have been proposed to increase those profits. Sen. Robert F. Kennedy (D-N.Y.) recently introduced a bill in Congress that would provide tax incentives and low interest rates on mortgages in an effort to promote large-scale private investment in low-cost rental housing in the slums.

Established private corporations already are experimenting in the slums. In the Harlem section of New York City, for example, United States Gypsum Co. is renovating tenements.

A DETERMINED PRESIDENT STATES HIS CREDO ON VIETNAM

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. OLSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. OLSEN. Mr. Speaker, those of us who absolutely want to support the men we have sent to Vietnam should take particular note of the President's speech in San Antonio.

Surely all need not agree on every aspect of this complex problem, but I believe all must support the President, the Commander in Chief, until we can have an honorable peace in Vietnam.

Everyone knows I have sent my private advice to the President. I do not always agree with him, but I do agree that we cannot weaken the support of our fighting men in Vietnam.

The Kansas City Star of October 2 described President Johnson's recent Vietnam speech in San Antonio as "a spine-stiffening speech."

It was not only that. It was a clear restatement of the American position. It was a statement of a President's faith in the ability of his country to continue to bear the burden of the long battle against Communist insurgency.

This is not the first time a President of the United States and the American people have had to bear such a burden.

Still, the American quest for peace is as strong and determined as its resolve to resist Communist force.

The United States is not mindless of its ultimate goals, as some critics assert.

We are not cold to the sacrifices of men and materials, as some proclaim.

We are not 100-percent sure that we are 100-percent perfect.

But, what we must never forget is the basic purpose of our efforts.

We must prevent the political murder of a nation, South Vietnam, just as we would expect free nations to defend the attempted political murder of the United States.

When Americans fought for freedom against the Nazis and the Fascists in World War II, they were fighting to undo the political murders of an alarmingly long list of once free nations. Korea and Vietnam are different only in degree. Communist aggression; Communist takeover is no different from any other takeover—and we must resist it with all our might.

History will demonstrate that the strong Presidents invariably act right when the times call them to make great decisions.

I insert in the RECORD an editorial from the Kansas City Star of October 2, entitled "A Spine-Stiffening Speech: L. B. J. on Vietnam."

A SPINE-STIFFENING SPEECH: L. B. J. ON VIETNAM

It was a strong and clear address, the most forthright and in some ways the most informative that President Johnson has made on the Vietnam war in more than two years. In San Antonio Friday night, Mr. Johnson undertook to stiffen the spine of the American people as the rising casualties of the conflict and the tortuous search for peace continue simultaneously.

The President's defense of United States policy in Vietnam was an updating of the declaration he delivered at Johns Hopkins University in Baltimore on April 7, 1965. Since then he has been far from silent on Vietnam. But, as events have brought change both on the war front and in attitudes toward the fighting both at home and in foreign countries, the President has not reported on developments and clarified the complex subject as much and as often as its importance has warranted.

This inadequacy of explanation by the highest level of the U.S. government has contributed, we feel, to the recent slippage in American public support of the administration's war policy. The President is not only aware of this loss but is concerned about it. In public and in private, he has been testy at times about his dovish critics. Lately he has had to face up to the hard truth that the criticism has grown, even spreading to seemed to be cohesive behind the government's stand in Southeast Asia.

In his Texas address, Lyndon Johnson was imploring the American people not to lose heart. He was telling the nation and the free world that the cause of Vietnam is worthy and that it will not be abandoned.

Yet the President did not speak in absolute terms when he discussed the larger meaning of the struggle. He acknowledged that he could not say "with certainty" that a Communist conquest of South Vietnam "would be followed by a Communist conquest of Southeast Asia." Nor did he presume to assert "with certainty" that "a Southeast Asia dominated by Communist power would bring a third World war much closer to reality." Still he spoke of his conviction that "in Vietnam, we are reducing the chances of a larger war—perhaps a nuclear war."

Scoffers, whose reaction on anything pertaining to Vietnam has become 100 per cent predictable, quickly replied that the President had misread history, that no lightning out of Southeast Asia could ever strike the world with a nuclear holocaust. They said this, but they don't really know.

A limited war in which the great atomic powers have vital interests could lead to unlimited conflict. The objectives of Nazi Germany and Japan professed in 1940–41 were limited at first. With success, these regional goals of authoritarian power became worldwide. The result was global war.

It *could* happen again. In Vietnam the purpose of the United States, in Mr. Johnson's words, is to save an independent country from "political murder" and thereby stand by the obligations of three American administrations. But there is also, here as earlier in Korea, the aim of resisting aggression that constitutes a long-range threat to the entire non-Communist world. Thus the war will go on, with the United States eager to negotiate peace and ready to suspend its bombing of North Vietnam whenever a halt can lead promptly to productive discussions.

Once more the resolve of the United States to stand fast in Vietnam as long as it may take has been reaffirmed. But the door to peace remains open as far as this country is concerned. It's Hanoi's move, and a still-determined President Johnson could not have made that central fact of the war any plainer. He deserves the nation's support.

DISCRIMINATION AGAINST POOR

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. OLSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. OLSEN. Mr. Speaker, it is with dismay—and some disgust—that I refer today to the action taken yesterday by a

small, reactionary minority of the House in striking the lowest blow yet against the national effort that is being made to help those who are poor work their way out of poverty.

In discriminating against the less than 3,000 people who work for the office of Economic opportunity by excluding them from the Federal pay raise the House authorized yesterday, that small minority delivered a slap in the face of every poor person in America.

OEO is the symbol of the Nation's strategy against poverty—a strategy that is working. Because of OEO—and the dedication of its employees—the poor of this Nation know that a war is being waged against poverty.

Is this the slap the House intended yesterday? I think not. I think the House action reflects the feelings of only a few. And I think the wrath of this country will well up against those who are so unconcerned—so uninterested, apparently, in the terrible problem of poverty that exists.

It was charged on this floor yesterday that 25 OEO employees received more basic annual pay than General Westmoreland. No OEO employee—let me emphasize—no OEO employee, including Director Sargent Shriver, receives the compensation that General Westmoreland does.

But the comparison is ridiculous anyway.

What needs to be talked about are the many down-the-line OEO employees—secretaries, typists, clerks—who will suffer because of the political machinations of those who sought yesterday to hit OEO and the war on poverty with another unfair blow.

More than 1,200 OEO employees hold a grade 7 or less in the classification scale. This means they make in the neighborhood of $6,000 or less—most of them less. Are they to be denied the increase that would go to similar employees in all other agencies of Government?

Mr. Speaker, I could go on and on in citing the irresponsibility of the charges that were made and the action that was taken yesterday. I will not do so at this time. I will not have to do it in the future.

Those Americans who are concerned about their impoverished fellow citizens—and dedicated to the task of helping them—will rise up and express their own anger about the deplorable action of so few with damage to the aspirations and hopes of so many.

I know the responsible members of the other party will want to disassociate themselves from the minority action that was taken. In this regard, I include an article in last Thursday's Washington Star noting objection to this action by 21 Republican mayors in the RECORD at this time:

BAR OEO CUT, GOP MAYORS ASK REPUBLICANS ON HILL

Twenty-one Republican mayors have urged GOP leaders in Congress to continue or expand programs offered by the Office of Economic Opportunity by voting for the necessary funds.

A telegram on behalf of the group was sent yesterday by Mayor Neal S. Blaisdell of Honolulu to Senate Republican Leader Everett M. Dirksen and House Leader Gerald R. Ford. It was made public by OEO.

Opposing moves to cut back the OEO program in the economy drive in Congress, the telegram said in part:

"We feel the implementation of our local programs as sponsored by OEO are giving great impetus . . . and any slowing up of such programs will greatly deter the progress which has been made thus far."

CONTRIBUTION OF WOMEN

Mr. CHARLES H. WILSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CHARLES H. WILSON. Mr. Speaker, in these days of strained appropriations and strained human relations one of the activities of a corporation in my constituency is worthy of attention. This company, Ungar Electric tools, a division of Eldon Industries, located in Hawthorne, Calif., has, with its own funds, launched a nationwide program that has already benefited the entire electronic industry by encouraging improved quality in the manufacture of microelectronic circuits through recognizing the contribution of the women on that industry's assembly lines, without whose skills it could not survive, no less prosper.

There is no doubt that when man reaches the moon it will be because of the many thousands of women whose skills were called upon to assemble the electronic components of the sophisticated circuits of our space vehicles and ground support systems. In fact, it is the women's hands and skills that have made possible our computer way of life.

The importance of quality control in electronic assembly work cannot be overestimated. It is a matter of record that multimillion dollar projects have been aborted because of one faulty hand-soldered connection. To decrease the possibility of this is the basis of the Ungar concept.

The program is founded on the theory that recognition of a technician's skill motivates the desire to live up to that honor. Taking a leaf from the history of World War II when "Rosie the Riveter" became the legendary heroine who assembled the planes and ships of that day, the Ungar program was created to identify the unsung heroines of the electronic age's assembly lines as "Suzie the Solderer."

Inasmuch as a major portion of our Nation's electronic production is an integrated facet of our defense and space programs, it is obvious that any program to increase the quality of these exotic components would in the deepest sense benefit us all.

The idea developed by Mr. Robert Silverstein, president of Eldon Industries, and Mr. William L. Nehrenz, Eldon's vice president and general manager of its Ungar Division, was conceived not only to give status to these women as "Suzie the Solderers" but by so doing encourage improved work habits by awarding the title of "Princess" to the most skilled assemblers in the electronic plants across the country. The title of "Princess" is one that is well deserved—a title exclusively feminine inasmuch as the tasks they do cannot be done by men.

Unlike "Rosie the Riveter" who took her place on the assembly line because of the shortage of manpower, "Suzie the Solderer" is on the job because the average man has neither the psychological attributes or the color perceptivity required for the task. Aptitude tests indicate that while most men have varying degrees of color blindness it is extremely rare in women—and this feminine virtue is extremely important in the reading of color codes essential to circuitry assembly.

Underscoring the fact that it takes a psychologically constituted and dedicated woman to sit hour after hour and day after day, peering through high-powered lenses, assembling thousands of microscopic thinner-than-hair wire connections is that even the tools used on the job are designed for the feminine hand. "Suzie's" assembly tools are dainty enough for a boudoir; her soldering iron, for example, is now called a pen with a pastel turquoise handle as pretty as a lipstick case.

In Ungar's judgment the dramatic story of the contribution women are making to our electronic age would be a vehicle for communicating to the community that the basic skills could be readily learned; that there are available opportunities open in an industry that is ready to welcome and train women; and by this message it was also hoped that the employment shortage, which exists despite the half a million women now engaged in these tasks, could be alleviated, especially from among the unemployed women of the depressed areas of our urban centers.

An "instant" royalty kit was developed which included a rhinestone tiara, a gold-plated soldering iron sceptre, a gold princess bracelet, and a series of quality-motivating in-plant posters which Ungar offered free to any electronic plant desiring to honor its women assemblers.

The enthusiastic immediate reaction of major plants in the electronic industry showed the need for such a program.

The Defense Contract Administration Services, a Government agency responsible for quality control of Government contract production, recognized the concept as a worthwhile motivating factor. Many plants tied in the Princess Suzie crowning ceremonies with their own Government-inspired quality control zero defects program.

Production magazine, a leading publication in its field, featured the effectiveness of the "Suzie the Solderer" theme. In a major article, "Motivating People in Production," the magazine commented that there was "an interesting and noticeable general improvement in the quality of work, a natural result of identification with a worker who has gained status recognition." Absenteeism has also been reduced.

Today there are proud Princess Suzies

in many plants across the country, with more and more awaiting their "instant" royalty kit. The list is a distinguished one. Among them are: Charles Brunig Co., division of Addressograph/Multigraph Corp., Mount Prospect, Ill.; Data Systems Division, Litton Industries, Van Nuys, Calif.; Dorsett Electronics, Tulsa, Okla.; Electronics Specialty Co., Los Angeles, Calif.; Garrett Airesearch, Los Angeles, Calif.; Hughes Aircraft, Culver City, Calif.; Kaman Nuclear, Colorado Springs, Colo.; I.T.T. Marine, Clark, N.J.; Loral Electronics System, New York City; Microwave, San Jose, Calif.; National Co., Melrose, Mass.; National Union Electric Corp:, Stamford, Conn.; Pacific Electricord Co., Gardena, Calif.; Packard Bell, Los Angeles, Calif.; Pickard & Burns, Waltham, Mass.; Sanders Associates, Plainview, Long Island; H. H. Scott, Inc., Maynard, Mass.

And as hoped for, the publicity generated in the community by the program brought new women workers to the assembly lines. A typical example of its effectiveness is the immediate results that took place in the adult occupational training centers of the Los Angeles school systems. Previous classes in the teaching of basic soldering skills were sparsely attended. When the press, TV, and radio told the Princess story, so many new applicants from the ranks of the unemployed poured in to register that a number of additional classes had to be formed.

It is interesting, too, that a gratifying percentage of new enrollees in these classes, registered from the Negro and Mexican-American communities.

In this area of education Ungar has also made its contribution. It initiated, developed, and financed a brochure listing the opportunities for women in electronics and provided them to the Los Angeles Board of Education for distribution at plants and at unemployment centers. Mr. T. Stanley Warburton, associate superintendent of the Los Angeles city school districts, in a letter to Ungar, stated:

> We are greatly appreciative that school and industry has combined to solve a common problem. Your help in this project is another bridge of friendship and good cooperation. Thank you for your efforts in developing a better education program in the Los Angeles schools.

Perhaps most salient in this program is the absence of corporate commercialism. There are no strings attached. Plants tying in with the program understand that crowning a Princess does not mean an endorsement of Ungar's products, nor in fact need they even be used on that plant's assembly lines.

It is natural that such a worthy contribution should be recognized in the community as well as in the electronic industry. The city of Los Angeles, as one example, presented to Mr. Robert Silverstein and Mr. William Nehrenz, a resolution congratulating Ungar Electric Tools on its "Suzie the Solderer" program, in the words of the resolution "benefits the entire industry, motivating a higher quality of performance and encouraging women to seek employment in a field so in need of soldering technicians."

And as must eventually occur, when a new and interesting facet develops on the American scene it was natural that a song "Suzie the Solderer" should be written. Recorded by the Jimmie Joyce Singers on a Warner Bros. label "Suzie the Solderer" could well become the saga saluting the contribution of women to the electronic age as "Rosie the Riveter" was a much whistled tune of World War II.

To paraphrase a once often spoken idea it might, in these days, be appropriate to say that "the hand that rocked the cradle and once ruled the world is now the hand that holds the soldering iron that assembles the circuits that turn on the world."

The efforts of Ungar Electric Tools in this regard could well be an inspiration to the world of business in the understanding of the psychological needs of people so necessary to our free enterprise production economy.

SPEECH OF POSTMASTER GENERAL LAWRENCE F. O'BRIEN

Mr. SPEAKER. I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CHARLES H. WILSON. Mr. Speaker, in a speech delivered earlier this week at the national convention of the National Association of Postmasters, Postmaster General Lawrence O'Brien made some very interesting comments and observations on his bold and imaginative proposal to convert the postal service into a Government corporation. Among other things, the Postmaster General discussed the results of a Roper poll on public reaction to his corporation proposal and on public opinion of the quality of current mail service. These are matters of interest and importance to every Member of the Congress, and I include the Postmaster General's speech to be reprinted in the RECORD.

ADDRESS BY POSTMASTER GENERAL LAWRENCE F. O'BRIEN AT THE NATIONAL CONVENTION OF THE NATIONAL ASSOCIATION OF POSTMASTERS OF THE UNITED STATES, SAN JUAN, PUERTO RICO, OCTOBER 9, 1967

I'm pleased to be able to leave my hardship post up North—and join you here tonight.

On arrival, I was advised on the results of your election. In the tradition of your organization, your election campaign was in the democratic procedure—and I know that now all of you will unite behind your new President, Tom Costin. I am looking forward to working with Tom—as he and I have worked together in the past—and of course with your other national officers and your fine Executive Director, John Carter.

Let me say that for a long time now, I've observed your outgoing President Jim O'Toole. As you know, he is an exceptional man, with the experience, the intelligence, the integrity and the leadership ability that we sorely need in Washington—his Congressman Joe Vigorito shares that view.

About a year ago, I asked Jim if he would be interested in comming to work in an executive position in the Department. To his credit, he turned me down. In a laudable display of character and loyalty, he thanked me, but said his first responsibility was to serve NAPUS in the office to which you had elected him.

Well, Jim has done just that—and I think we can all agree that he has served you in a truly outstanding fashion. Now he is completing his two years as your President, so I've had another chat with Jim. And I am delighted to announce tonight his appointment as Executive Assistant to Assistant Postmaster General William McMillan, in the Bureau of Operations.

In this high ranking position, Jim will supervise the work of the Bureau's fiscal control offices and administrative office. He will also handle its work in Congressional liaison, personnel matters, contract compliance and equal employment opportunity.

Jim has a few things to clear up with NAPUS and at his post office back in Sharon, but he tells me he'll be able to report to duty in the Department next month. We're looking forward to his arrival with us joined by his charming wife, Jean.

As some of you may recall, when we met back on the mainland last year I stated that the Post Office Department is a public service industry in which old ways of thinking, old stereotypes, old traditional patterns are out of date.

This was a hint of some thinking on my part which had almost, but not quite, jelled.

Six months after your Louisville Convention, I announced that, after considerable study, I had come to the conclusion that the post office should be transformed into a more effective instrument of service by removing it from the Cabinet and making it a government corporation.

The reaction to this proposal was always interesting, at times amusing, occasionally painful and, in a few instances, brought me face to face with the world of fantasy. I now know the meaning of psychedelic.

One of the biggest surprises was the amount of support my proposal received from the conservative element.

Raymond Moley liked the idea.

The Chicago Tribune liked the idea.

Barry Goldwater liked the idea and said, "Welcome, Mr. O'Brien."

I appreciate support from such unexpected quarters, but, as a lifetime Democrat, it somehow makes me as uneasy as the Lone Ranger when Tonto invited a number of his Redskin friends to drop by for archery practice.

Actually, these conservative sources extended only partial support—not really support at all. They want me to go much further and get the post office out of government altogether, to turn it over to private industry.

A group representing the stockholders of the giant American Telephone and Telegraph Company proposed precisely that. "Let's buy the post office," they demanded. AT&T Chairman H. I. Rommes, who calculated that his net income and our net deficit just about balanced out, concluded that the stockholders had the wrong number.

By and large the reaction to the government corporation proposal was highly favorable, and there were quite literally hundreds of positive editorials in the nation's press.

Just five days after I made the proposal the President appointed a blue ribbon Commission on Postal Organization, to which were named some of the finest minds in America.

Under the Chairmanship of Frederick R. Kappel, formerly Chairman of the Board of American Telephone and Telegraph, the Commission is proceeding with a vigorous examination of every aspect of the postal service. Its deadline for reporting to the President is next April.

What I want to discuss with you tonight pertains to public attitudes toward the postal corporation proposal.

A year and a half ago, the highly respected firm of Roper Research Associates conducted a scientific poll to determine the attitude of the public toward ZIP Code and the public's acceptance of this new instrument of mail delivery.

The reports of that survey were useful and instructive. Recently the Roper firm did a follow-up survey, based on a valid representative sample of the American people.

The new survey was designed to explore current public opinion of the postal service in general as well as views of the ZIP Code system in particular.

Naturally, I was most interested in learning the reaction of the general public to the widely acclaimed corporation proposal.

Well, the basic finding is that, of the representative sample polled, twenty-eight percent were familiar with the proposal. And they split three ways—about one-third favoring it, one-third opposed and the remainder with no opinion.

The experts tell me that a twenty-eight percent awareness of the proposal is exceptionally good at this time.

But in my view, it is not good enough. We must have greater public understanding and support.

Why weren't more than twenty-eight percent of the people familiar with the proposal?

Part of the answer is suggested in another area of the Roper Survey; part of the answer lies in the brief time that has elapsed since the proposal was made; and part of the answer lies in the complex nature of the proposal itself.

The Roper Study found that the overwhelming majority of the American people are satisfied with the quality of the postal service they are receiving. Seventy-six percent are *"completely satisfied"* and another nineteen percent are *"fairly well satisfied."* That's *ninety-five* percent who are satisfied with our service.

Now, this finding may surprise some who make a hobby of kicking our postal service in the mail bag. It may come as a surprise to those who believe that there is nothing on which the American people would agree by ninety-five percent. But it comes as no surprise to me—or to you.

Since almost all Americans are satisfied with the mail service, it would seem that logic would dictate a reluctance to experiment with an institution already rendering such excellent benefits.

The findings of the survey concerning the corporation idea show that what could have been anticipated in logic is reflected in fact.

Further, so many events have crowded in on the consciousness of all of us since I first broached the corporation proposal last April it is not suprising that the proposal has been submerged by more pressing problems and more urgent concerns.

Amplifying that tendency is a policy I have purposely adopted. As I am sure you know, never once have I asked any member of the postal service to campaign for, endorse, or support the proposal.

But the fact is simply that most people do not understand the corporation idea. For, when given a brief explanation of the proposal, the survey shows that attitudes sharply improve.

Roper reported the study indicates that the more people know about it the more favorably inclined towards it they become.

I think these points deserve careful examination.

First, since the American people are obviously satisfied with mail service and see no need for change, why then do I think change is needed?

This is a basic question.

And I think there is an equally basic answer.

I fully agree that mail service is good *now*. We have said that all along and we are pleased that the American people agree with us.

Also, I fully agree that service has improved.

But we must be constantly striving to further improve our service now. And what about the future?

I have concluded that unless we make some basic changes in our methods of operation, the future will be a bleak one for mail service. That was my belief last April and that is my belief today.

It takes every ounce of our efforts to provide good service at the present time and I look ahead five, ten, twenty years with a sense of sharp foreboding.

You know the figures as well as I do.

Conservative forecasts, based on current trends, clearly show that in twenty more years the total number of pieces of mail will reach 139 billion—an increase of 74 percent over the present heavy volume.

We are running as fast as we can just to keep up with our present volume.

Can we handle an additional 74 percent increase in volume with the present methods?

No one is more familiar with the answer to that question than you.

I don't think we can.

The only constant factor in mail service will be continuing volume increases.

Given those increases, I am convinced that the present structure cannot meet the future postal needs of the American people.

That is why I believe it vital to assure that the public understands the problem before they arrive at any decisions.

And this is where your role as community leaders becomes so important. Postmasters can provide a very real service to the nation by helping to educate business mailers and the mailing public about the problems we face in the future and the possible solutions to those problems.

When I say education I definitely do not mean "propaganda."

Some of you may approve of my idea.

Some of you may disapprove.

Some of you may have an open mind.

So, I am not asking that you favor or advocate the government corporation idea. I am asking only that you generate discussion, dialogue, debate in your communities, among business leaders, with Mail Users Councils, in the public media.

And may I emphasize at this point that just as the President's Commission is not confining its study to the corporation proposal alone, so too I would anticipate that your dialogue with mail users would search out all viewpoints.

The mail service is moving into a new dimension of quality and quantity.

We need new ideas and fresh vision.

I look to you to generate those ideas and those solutions.

But, or course, in this day and age, when so many different sources are clamoring for our attention; possession of a good idea is simply not enough. The good idea will be born to blush unseen unless a strong, well-designed, and highly motivated effort is made to explain its benefits.

I am convinced that the corporation idea is sound and necessary.

I believe the corporation, by issuing its own bonds, would ease the problem of securing funds for badly needed modern facilities.

I believe the corporation would encourage initiative and management continuity.

I believe the corporation would give wide scope to business methods and businesslike thinking.

I believe the corporation would free management from many of the archaic restrictions that now hinder rational planning and optimum use of resources and manpower.

These and dozens of other benefits will stem from a corporation structure. We must not hide the light from these benefits under the bushel basket of inaction.

There is another area where there is a pressing need for information, where there is often more heat than light, more noise than sense, more talk than thought, and more just plain wishful thinking than any issue in recent history.

Of course I am referring to the conflict in Vietnam.

Every day we hear new ideas, new proposals.

These ideas and proposals often have a common root. That root is unfortunately the dangerous fallacy of confusing *what should be* with *what is*.

Other nations should recognize our essential objectives. But some do not.

Other nations should see that we have no desire for territory or expansion. But some do not.

All nations should cooperate in the common interest rather than squabble over selfish interest.

But, there is often far more conflict than cooperation.

This is not the world we would make. This is not the kind of world that makes life easy and pleasant. But we cannot say "Stop the World, I want to get off." The beginning of wisdom is to accept the world *as it is*. Only then is it possible to plan for rational change.

Those who every day urge on the President new plans for peace overlook one elemental fact. The President has time and again offered to stop bombing and, most recently, he said, "The United States is willing to stop all aerial and naval bombardment of North Viet Nam when this will lead promptly to productive discussion."

I think that is a reasonable position, particularly when you are responsible for the lives of American men.

But for the wishful thinkers, those who seem to believe that the other side really wants peace, the reaction of Hanoi—a flat rejection of the President's offer—must have felt like a sudden cold shower.

But perhaps not. For wishful thinkers are difficult to touch with facts.

And I am afraid that the facts seem to point to a desire on the part of the North Vietnamese Communists to secure peace only after South Vietnam falls to Communism.

Therefore, if we act like a third rate power in Vietnam, if we show an unwillingness to carry out our commitments, if we treat our obligations like a meaningless scrap of paper, if we ignore the sacrifice of those who have already died, we are not only dishonoring our national character, we are doing far more. We are, in effect, making the down payment on a mortgage against future peace, and that mortgage will bear heavy interest. It will be paid in blood and in sacrifice, and it will be paid closer to our shores.

No one hates war and killing more than President Johnson. And he has said in no uncertain terms that ". . . any American who rejoiced in war and conflict would be instantly removed from any position of responsibility." But, unfortunately, the world, as it is, and not as it should be, clearly points to the hard reality that only our military power can bar aggression and can make an *honorable* peace and a *durable* political solution possible.

I know there is not a person in this room who despises the Vietnam war more than the President. I know there is not a person in this room who hopes for peace more than the President. And I am certain that there is not a person in this room who is doing more to bring peace about than President Lyndon B. Johnson.

Well, I am not asking you to go to Vietnam. I am not asking you to conjure up some new plan that would make the North Vietnamese see the light. But I *am* asking you to

speak out on this issue. Pin down those who substitute wishes for hard thought. Ask them what they would do if the communists continue to refuse to come to the peace table.

You are most often the leading representatives of the Federal government in your communities, and this is the number one international problem faced by our nation today. Speak out and exercise that leadership.

My friends, one of the basic challenges to anyone in public life is contained in a poem written by Oliver Wendell Holmes a century ago.

Holmes wrote:

"I find the great thing in this world it not so much where we stand,
As in what direction we are moving . . .
We must sail sometimes with the wind and sometimes against it,—
But we must sail, and not drift, nor lie at anchor."

I vote for a post office sailing into the winds of the future. And I have a feeling that many of you share my view. Let us join together, not in the line of least resistance, but in the line of the greatest advantage to our Nation—to America—to every single American.

THE FARMERS HOME ADMINISTRATION, A MAGNIFICENTLY EFFECTIVE FEDERAL AGENCY

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. PATMAN. Mr. Speaker, I would like to call your attention to a quiet but significant change that is taking place these days in rural America. It is a change for the better—better for the people who live in rural areas, and better, too, for our metropolitan areas.

As all of us know, since the end of World War II, something like 20 million persons from rural America—farmers and people from rural communities, the young and the old—have migrated to the larger cities.

Not only did this massive national rural drift have a disturbing effect on the rural economy and society but it, in turn, imposed additional heavy burdens on the big cities. As Secretary of Agriculture Orville L. Freeman has repeatedly pointed out, the resulting urban-rural imbalance now poses a problem of deep national concern.

We can well ask ourselves, why did this massive migration of rural people take place? What caused it?

There are many reasons.

Surely one of the reasons, Mr. Speaker, was the failure of our rural areas to keep pace with modern developments and the amenities of modern living.

For instance, the last U.S. census revealed that there were some 30,000 rural areas in this country which were without central water systems. These people, at best, had to pump their water from wells—many of them open wells. Some even had to haul water for miles because their own wells were polluted, or periodically dry.

In addition, Mr. Speaker, 50,000 to 60,000 rural areas were without safe and adequate central waste disposal systems. This meant they depended on outside toilets, or inadequate septic tanks and cesspools which, in turn, could be sources of pollution.

For those who live in modern towns and cities, it seems incredible that anyone should be without these modern facilities.

It is little wonder that business did not move to rural communities where the most basic facilities were absent, and lacking jobs, it is little wonder that rural people left.

But, Mr. Speaker, I am happy to report that we have definitely reached the "turn-around" point in this problem.

I have here a USDA release of September 7, in which Secretary Freeman announces that during fiscal year 1967 more than 1,100 rural communities, of less than 5,500 population, were able to install or improve modern water or waste disposal systems benefiting some 1.2 million rural people. This was accomplished under the loan and grant program which the 89th Congress enacted in October 1965 and which is administered by the Farmers Home Administration.

Since the Farmers Home Administration was given authority to make these grants and loans under the new program, that agency has financed community water and sewer projects for nearly 2,000 rural communities, benefiting nearly 2 million rural residents.

As Secretary Freeman said:

This is the kind of healthy, future-building development we need in our rural countryside. These basic facilities provide a fundamental resource in the development of rural business and industry. They help improve health and sanitation conditions—they stabilize and promote more satisfactory family living. It encourages rural people to build or improve their homes and attract others to return to these rural areas to live. And these loans and grants provide immediate employment and new muscle to local rural economies.

Yes, Mr. Speaker, rural communities are being rebuilt and revitalized for tomorrow when this Nation will be even more in need of additional living space to relieve the deadening congestion of our cities. This program is transforming our rural communities.

Mr. Speaker, I would like to point out that this was accomplished by advancing loans of $175.2 million and with grants totaling only $22.5 million. These are loans where funds are provided by private investors and insured by the Federal Government. They will be paid back and the cost to the taxpayer is minimal but the returns to rural economy and rural society are inestimable.

Within the framework provided by Congress, the Farmers Home Administration has done a magnificent job and I only wish it were possible for me to meet personally with each and every FHA employee to express my gratitude for his splendid work.

And in this context, I must add that my own State of Texas continues to be deeply indebted to our superbly dedicated and efficient FHA State director, the Honorable L. J. Cappleman, affectionately known as "Cap" to millions of highly appreciative Texans.

COMMITTEE ON BANKING AND CURRENCY WILL OPEN BANK CREDIT CARD HEARINGS ON NOVEMBER 8

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. PATMAN. Mr. Speaker, the Committee on Banking and Currency will open hearings on bank credit cards on Wednesday, November 8.

The question of the banks' entry into the credit card field is of growing concern throughout the Nation. It is significant that nearly 1,000 commercial banks instituted credit card plans in the past year.

Mr. Speaker, the widespread use of this new credit device by the banks raises serious legal and policy questions which must be answered by the Congress. Frankly, I am very concerned about the unregulated mailing of millions of unsolicited credit cards by many banks. Many of these cards are completely open-end credit arrangements with no dollar limits.

Obviously, many banks are making no credit checks and have no idea of the total liability of credit extended through the use of the cards. Certainly, this is a highly unsound banking practice.

Mr. Speaker, we plan to hold full hearings. Among the witnesses will be the bank supervisory agencies—the Comptroller of the Currency, the Federal Reserve, and the Federal Deposit Insurance Corporation. In addition, experts in the credit card field, consumers, bankers, small businessmen, and other interested parties will be invited to testify.

JOSEPH ALBANESE HONORED BY NATIONAL COLUMBUS DAY COMMITTEE

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HANLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HANLEY. Mr. Speaker, this evening, my good friend and constituent from Syracuse, Mr. Joseph Albanese, will be honored by the National Columbus Day Committee at a dinner here in Washington. He is to receive an award from the committee for his untiring efforts to bring about enactment of legislation making Columbus Day a national holiday. I am all the more pleased over this honor because, first, I will formally make the presentation and, second, I am a cosponsor of the bill declaring October 12 a national holiday.

Joe Albanese is not only a friend, he is also a serious civic-minded citizen of Syracuse. His charitable activities are legion, perhaps only surpassed by the number of friends he has throughout central New York. Over the years, Joe

has been deeply involved in the United Fund of Syracuse, the Rescue Mission Alliance, the Columbus Foundation which gives moneys to schools, the Florence Relief Fund which raised several thousand dollars for flood-stricken Florence, Italy, last year, and the fundraising committee for Boys Town of Italy.

Joe is president of the Weimeraner Club of America, vice president of the Forum Club, a civic, political, and social club for Americans of Italian descent, and a member of the National Columbus Day Committee. In addition to his business interests in the fields of contracting and real estate development, he still finds time to work with numerous religious, social, and fraternal organizations.

Mr. Speaker, I take this opportunity to salute Joe Albanese and to wish him the best for the future.

PRESS SUPPORT FOR THE GONZALEZ BILL TO STRENGTHEN THE RENEGOTIATION BOARD—THIRD OF A SERIES

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, for over a year and a half I have been struggling in a sea of general indifference to instigate a strengthening of the Renegotiation Board, for it is still inconceivable to me that we in Congress can countenance the sacrifices of our servicemen in Vietnam, the hardships of their families here at home, and the inflationary bite on wage earners and yet perpetrate at the same time a grossly inadequate policing of excessive profits on defense contracts swollen by Vietnam. Have profits become more important than people during wartime?

In March 1966, I presented the first of four major addresses to this body on the crying need to regenerate the Renegotiation Board. Earlier this year, I asked the President to assist in bolstering the hamstrung Renegotiation Board. In the absence of action, I prepared and introduced H.R. 6792 in order to return the Board to the effectiveness it exercised during the Korean war. In July, I urged the chairman of the Ways and Means Committee to schedule hearings on my bill.

To date, I have received no support for my legislation from any Member of either body. However, several newspapers have expressed an interest in my fight to curb war profiteering, and I have permission to insert at this point the third of a series of these comments:

WAR PROFITEERING SENTRY HOBBLED

(By Sanford Watzman)

WASHINGTON.—A government agency that trims war profiteering appears to be withering away despite escalation in Vietnam and a big boom in the defense industry.

Legislation to strengthen the Renegotiation Board and to restore some of its power is being ignored by Congress, which has shown in recent years that it prefers to use a hatchet on the independent agency.

But the board is still breathing. It uncovered $25 million in excess profits during fiscal 1966.

A decade ago—before Vietnam—the board was documenting six times as much fat annually in defense contracts.

The board had 724 employes in 1953. By 1966 it was down to 179.

The Renegotiation Board does not operate under the truth in Negotiating Act, which has been the subject of recent Plain Dealer articles.

Under the "Truth" law, the Defense Department is supposed to see to it that each contract signed is based on information from the company that is current, complete and accurate.

It is up to the Pentagon to discover any inaccuracies and to institute proceedings for recovery of any money in those cases.

The Renegotiation Board, however, does not concern itself with the individual contracts. Rather, it reviews all business dealings between each corporation and the governmental department in the course of a year.

The corporation files with the board records similar to those submitted to the Internal Revenue Service. From these papers, the board determines, under criteria established by law, whether the company's profit from government business has been reasonable.

Rep. Henry B. Gonzalez, D-Tex., is one of the few members of Congress showing concern for the board's strength. In a speech on the floor he said:

"In light of the heavy sacrifices made by those who do the actual fighting in Vietnam, one would hope that those who stay home and do business with the government would not take advantage by profiteering.

"I'm sorry to say, however, there is evidence that profiteering is on the upswing. Despite this, the Renegotiation Board is hampered and unable to do a complete job.

"Amendments to the act which created the board have piled limitation upon limitation and steadily whittled away its authority.

"Exceptions have been created for a great range of materials so that much of what is supplied for the war in Vietnam is no longer covered by the Act.

"Appropriations for the board have steadily dwindled. There have been a number of attempts to abolish the board. There was a major attempt to kill it last year."

Originally, any company that conducted $250,000 or more business with the government in a given year was subject to the act. This was raised to $500,000 in 1954 and to $1 million in 1956.

Gonzalez has introduced a bill to restore the $250,000 standard and to otherwise enhance the board's powers. He is seeking also to make the board a permanent agency rather than one whose life must be extended periodically by Congress.

Under legislation enacted last year, the board will stay alive at least through June 30, 1968. President Johnson said as he signed the extended bill:

"We need this vital measure. It is another important tool in our constant quest to get a dollar's worth of value for every defense dollars spent."

But the administration later rejected Gonzalez's request that it seek more funds for the board.

NEWSPAPERS PRAISE PRESIDENT'S SAN ANTONIO SPEECH

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, the President's address to the Nation from San Antonio was a clear reaffirmation of our policy in Vietnam. It will please neither those who desire unilateral withdrawal nor those who opt for mindless escalation.

The President reiterated the grounds upon which America is prepared to stand. President Johnson stated he would not give up South Vietnam to aggression. Nor, on the other hand, does he want to obliterate North Vietnam from the map. We fight for a limited purpose.

President Johnson has offered to halt bombing if Hanoi will negotiate and not take military advantage of the pause. All Americans await a reply to this offer.

I insert a cross section of editorials praising the President's San Antonio address—from the Minneapolis Tribune, the Denver Post, and the Pittsburgh Press—at this point in the RECORD:

[From the Minneapolis Tribune, Oct. 1, 1967]

PRESIDENT JOHNSON'S VIETNAM SPEECH

President Johnson chose his words well when he said in San Antonio Friday night, "There are passionate convictions about the wisest course for our nation to follow" in Vietnam. The passion, unfortunately, has been mostly on the part of those who are in fundamental disagreement with the administration's policy.

It is unfortunate because the seriousness of the problem requires similarly serious, dispassionate appraisal. It may be, as Barry Goldwater said three years ago, that "extremism in the defense of liberty is no vice," but passionate patriotism does not mean simply providing the Joint Chiefs of Staff *carte blanche* to win the war, as some would urge.

Neither does a passionate pursuit of peace necessarily mean that withdrawal from Vietnam would result in achievement of that goal. "Peace cannot be secured by wishes," said the President, or "preserved by noble words and pure intentions." He said, in other words, that an unpopular, restrained but costly war may prevent a larger one.

The speech was an expected justification of present policy and reaffirmation of the President's determination to continue it. The arguments were familiar: quotations from Presidents Eisenhower and Kennedy and from chiefs of state of Southeast Asian nations; prevention of the spread of Communist domination; the lack of response by Hanoi to U.S. overtures.

In part it was defensive. The mounting passion of attacks on administration policy must not have gone unnoticed in the White House; Mr. Johnson was described last week by Sen. Clifford Case as "highly irresponsible," and by Sen. Thruston Morton as "brainwashed." The President's response Friday was to point to the error likely to be made by totalitarian regimes, "to misjudge individual speeches for public policy."

In rebuttal to the proposed Senate resolution which seeks to restrict executive authority in foreign policy, the President once more recalled earlier Senate actions which he interprets as support of present policy: the Tonkin Gulf Resolution of 1965 and the Southeast Asia Treaty Organization ratification in 1955. Of the current Senate opposition, he said, "They mistake a few committees for a country."

For a long time to come, the President's San Antonio speech will be interpreted, approved of and criticized. This is as it should

be, for it is one of the duties of the Chief Executive to restate and explain his foreign policy to the nation. We cannot agree with all of his reasoning; but we think the statement on Vietnam was needed and that the President presented his position clearly, with appropriate firmness rather than passion.

[From the Denver Post, Oct. 2, 1967]

WHY L. B. J.'S SPEECH HAD NOTHING NEW

President Johnson's firm, clear speech on Vietnam in San Antonio Friday night has been unfairly criticized on the ground that it provided "nothing new."

Since the purpose of the speech was to explain again a policy the President said has persisted through three administrations, it could not provide something new unless Johnson were prepared to change the policy.

The President made it clear that he does not intend to change the policy but to persist in it. He served notice to Hanoi that the United States will continue on the course it has been following and that the American people, despite some criticism, will not grow tired and quit.

The reasons the President gave for U.S. involvement in Vietnam are, of course, not new reasons. Some of Johnson's critics may have forgotten or overlooked them, but they are the same reasons which have stood behind our policy all along.

We are in Vietnam, the President said, to prevent all of Southeast Asia from falling to communism. If we were not fighting a limited war to prevent that from happening now, the President suggested we would probably have to fight a third world war later on.

Johnson indicated again, however, that the door to peace is open any time the other side is willing to walk through it. He offered to talk personally with Ho Chi Minh or send Secretary of State Rusk to talk about peace, whenever the other side is ready to talk.

He also offered again to halt the bombing of North Vietnam, if Hanoi will give him some indication it will then come to the peace table and not take military advantage of the bombing halt in the meantime.

President Johnson is, of course, well aware that Hanoi is no more likely to take advantage of his latest offer for peace talks than it has taken advantage of earlier ones.

This is, in part, because Hanoi perceives correctly that the problem in the Vietnam war is not getting to the peace table but reaching an agreement after you arrive.

Nothing in the President's talk suggests any basis for an agreement that would be acceptable to Hanoi. With no satisfactory agreement in sight, Hanoi sees nothing to gain at the peace table. If it came, it would risk giving the impression that it had been bombed into submission.

The only kind of agreement that would satisfy Hanoi is one that would clear the way for the ultimate control of South Vietnam by the forces and supporters of Ho Chi Minh. President Johnson's speech Friday night does not suggest that he is ready to buy that kind of an agreement.

So the war must go on. Its strategic aim is not just to force Ho Chi Minh to sit down and talk. Its aim is to force him to agree to a reasonable settlement in Southeast Asia that will not involve the Communist expansion we are fighting to prevent.

If the President were ready to give up, on the one hand, or to scorch North Vietnam from the map with nuclear weapons, on the other, he might have said something new Friday night. But he intends to persevere in an old policy until someone can show him a better one. We believe the nation will support him in that.

[From the Pittsburgh Press, Oct. 1, 1967]

PRESIDENT JOHNSON ON VIETNAM

Suppose for a moment it was North Vietnamese President Ho Chi Minh who had the bombers and was bombing South Vietnam daily. Suppose he also offered repeatedly to stop the bombing—provided the United States halted further reinforcements to South Vietnam. And suppose President Johnson persistently refused that offer.

In that case, we could understand a rising clamor at home, at the United Nations and abroad against LBJ.

As everybody knows, the situation is exactly the reverse. It is President Johnson who has the planes and President Ho who refuses to match the offered de-escalation and sit down to peace talks.

Yet it is President Johnson who is being subjected to that rising clamor to ground his planes permanently and unconditionally and take a chance on what would happen.

It was to answer this upside-down, one-sided demand—made by the North Vietnamese, echoed faithfully by fellow Communists around the world, seconded by a host of gullible "neutral" nations and even urged by an increasing number of frustrated, fearful Americans—that President Johnson addressed the nation Friday night.

The heart of the matter of negotiations, he repeated, is that the U.S. will immediately stop the bombing when it will lead to peace talks, and provided North Vietnam will not take advantage of the stoppage while the discussions go on.

That is as fair and even-handed as the offer can get.

Some may complain the President offered "nothing new." What "new" is there to offer to an enemy who so persistently has rejected the present fair offer?

The only "new" step possible is for Ho Chi Minh to say yes, instead of clinging to his position that the U.S. must first halt the bombing, pull out of Vietnam, recognize the treacherous Viet Cong as the "sole representatives" of the South Vietnamese people, and leave those people to him.

To those Americans growing weary or worried about the cost and casualties of the war, the President had a reminder that two presidents before him also saw the struggle in Vietnam for what it is: a battle for freedom and self-determination, an effort at assuring our own security, an attempt to forestall a bigger, wider war later by fighting this one now.

FEDERAL SAVINGS INSTITUTIONS BILL H.R. 13118

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MULTER. Mr. Speaker, the Subcommittee on Bank Supervision and Insurance of the Committee on Banking and Currency, which I have the honor to chair, recommended to the full committee on September 26 H.R. 13118, the proposed Federal Savings Institutions Act.

This bill—which culminates a 10-year effort to perfect legislation which would broaden the mutual thrift industry—represents the best thinking of the mutual savings banks industry, the savings and loan industry, the Home Loan Bank Board, the Treasury Department, the subcommittee and the staff. The principal is one which has been recommended many times by the leading financial groups of the country including the Commission on Money and Credit, the President's Committee on Financial Institutions, the Council of Economic Advisers and the President in his last two economic reports to the Congress.

H.R. 13118 will eventually result in a unification of the thrift industry on the Federal level. The full Committee on Banking and Currency will take up the bill in open hearings on October 16. For the information of the Members I commend to their attention the following short summary of the bill and the full text of the Federal Savings Institutions Act:

THE FEDERAL CHARTER BILL—A SUMMARY OF H.R. 13118

SCOPE AND PURPOSE OF SUMMARY

This is a brief summary of the provisions of H.R. 13118 prepared for the use of the members of the Committee on Banking and Currency. It is not intended as an evaluation of the merits of the bill or as a detailed analysis of its provisions.

INSTITUTIONS AUTHORIZED

The bill would authorize the Federal Home Loan Bank Board to charter and supervise mutual thrift institutions which would be known as Federal savings associations. Their deposits would be insured by the Federal Savings Insurance Corporation (the Federal Savings and Loan Insurance Corporation as renamed under the bill). The bill confers on the Board a general regulatory authority which is similar to the authority which the Board has with respect to Federal savings and loan associations under section 5 of the Home Owners' Loan Act of 1933.

These institutions could be organized de novo or through the conversion of mutual savings banks and savings and loan associations. All Federal savings and loan associations (except those which at the time of application for conversion are the subject of an outstanding cease and desist order or have a similar proceeding pending against them) would be entitled to convert to a charter issued under this proposed legislation. State chartered mutual savings banks and savings and loan associations would be able to convert to a Federal savings association (where state law permits) with the approval of the Federal Home Loan Bank Board.

DELAY PENDING ISSUANCE OF REGULATIONS

No charter could be issued until the initial regulations under the act had been prepared and had gone into effect. During this period, for which a maximum of 1 year is allowed, the Board would make administrative preparations for the operation of these institutions.

Although the institutions are referred to in the bill as "associations," those formed through the conversion of mutual savings banks would be allowed to retain in their names, the word "bank," "institution," or "society." After December 31, 1972, those words would be available for use as part of the name of any institution existing under the act.

BRANCH AUTHORITY LIMITED BY STATE LAW

Federal savings associations would be authorized to establish branches with the approval of the Federal Home Loan Bank Board but only to the extent that state chartered financial institutions in the relevant State could establish branches or affiliates.

An association could carry out a merger transaction provided the resulting institution was a mutual thrift institution, but only with the approval of the supervisory authority. Mergers would also be subject to provisions similar to those contained in the Bank Merger Act of 1966.

Federal savings associations would be directed by a board of directors elected by the depositors. Associations formed through the conversion of mutual savings banks

existing on the date of enactment would be authorized to continue the method of electing directors utilized by them prior to conversion. Proxies are authorized for the election of directors and for other corporate matters, but any proxy given by a depositor would be revocable at any time and, except in the case of a proxy given solely for the election of directors, would expire not later than 6 months after the execution thereof. Proxies given for the election of directors would expire not later than 3 years after *execution*. The Board is authorized to prescribe regulations governing proxy voting and the solicitation of proxies.

OBLIGATIONS OF DIRECTORS AND OFFICERS

The bill makes clear that the directors and officers of an association would be in a fiduciary relationship to the association and its depositors and directs that before any charter is issued, the Federal Home Loan Bank Board must prescribe regulations respecting that fiduciary relationship. Interlocking directorates with other financial institutions are prohibited except that certain interlocking relationships, if in existence on the date of enactment, may be continued.

DEPOSITS

Associations could accept savings deposits on behalf of individuals and certain types of nonprofit organizations. Time deposits with a maturity of 6 months or more could be accepted from business corporations for profit.

These institutions would be authorized to invest in Government and agency obligations, conventional and Government insured and guaranteed mortgages, and, to a more limited extent, in home improvement loans, loans on unimproved property, corporate bonds and equities, educational loans, and, subject to a statutory maximum of $5,000, in unsecured loans to individuals.

PRIMARY LENDING AREA

In order to emphasize the primary lending orientation of these institutions in residential financing and urban development in their areas, the bill provides that 60 percent of the assets of each institution, other than "liquid assets," must be invested in mortgage loans of the types set forth in the bill on property within its primary (geographical) lending area.

The bill provides that no tax may be imposed by any State on these institutions greater than the least onerous imposed by that State on other financial institutions, and defines activities which are not to be considered "doing business" for the purpose of taxation by a State other than the State in which an association's principal office is located.

Institutions chartered under this legislation would be required to maintain liquid assets of not less than 4 percent or more than 10 percent of the obligation of the institution on deposits and borrowings. The actual requirement would be set within these limits by the Federal Home Loan Bank Board. In addition, the Federal Home Loan Bank Board could require a "special liquidity requirement" of any institution which seemed, in the opinion of the Board, to require such additional liquidity because of asset or liability structure, reserve ratio, etc.

Provisions identical to those of the Financial Institutions Supervisory Act of 1966 are expressly included in the legislation.

H.R. 13118

A bill to authorize the establishment and to provide for the regulation of Federal savings institutions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Federal Savings Institutions Act.

TITLE I—FEDERAL SAVINGS ASSOCIATIONS

CHAPTER 1.—GENERAL PROVISIONS

§ 101. Definitions and rules of construction

(a) As used in this title, the term—

(1) "association" means a Federal savings association.

(2) "Board" means the Federal Home Loan Bank Board.

(3) "director", when used with reference to an institution other than an association, includes a trustee or other person perform ing functions similar to those of a director of an association.

(4) "Federal savings and loan association" means a Federal savings and loan association existing under the Home Owners' Loan Act of 1933.

(5) "financial institution" means a thrift institution, a commercial bank, or an insurance company.

(6) "merger transaction" means any transaction between or among any two or more institutions, at least one of which is an association—

(A) which will result in a merger or consolidation, or

(B) pursuant to which any of such institutions, otherwise than in the ordinary course of business, acquires any assets of, or assumes liability to pay any deposits made in, or share accounts of, or similar liabilities of, another of such institutions.

(7) "mutual thrift institution" means a Federal savings association, a Federal savings and loan association, or a State-chartered mutual savings bank, mutual savings and loan association, mutual building and loan association, cooperative bank, or mutual homestead association.

(8) "order", when used with reference to an order of the Board, includes a resolution or equivalent action.

(9) "resulting association" or "resulting institution", used in relation to a merger transaction, refers to an association or other institution (whether or not newly chartered in connection with such transaction) which, after the consummation of such transaction and as a result thereof, carries on the business or any part thereof theretofore carried on by one or more parties to such transaction, and the term refers to such institution as it exists after such consummation.

(10) "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, and any territory or possession of the United States.

(11) "thrift institution" means a mutual thrift institution, a guaranty savings bank, a stock savings and loan association, or a stock building and loan association.

(b) A requirement that a given proportion of the directors of an association vote in favor of a given proposal in order for the proposed action to be taken includes the requirement that the votes be cast at a meeting duly called and held for the purpose of voting on the proposal.

(c) An inference of legislative construction is not to be drawn by reason of the location in this title of any provision thereof, or by reason of the caption or catchline thereof.

(d) If a provision enacted by this title is held invalid, all valid provisions that are severable from the invalid provisions remain in effect. If a provision of this title is held invalid in one or more of its applications the provision remains in effect in all valid applications that are severable from the invalid application or applications.

§ 102. General powers of Board; regulations

The Board is authorized to prescribe regulations (including definitions of terms used in this title) implementing this title to provide for the examination, operation, private management, and regulation of federally chartered mutual savings banking associations not having capital stock represented by shares which shall be corporations existing under the laws of the United States and are refererd to in this Act as Federal savings associations and in this title as associations, and for the administration, enforcement, and effectuation of the provisions of this title.

§ 103. Accounts and accounting

The Board is authorized to prescribe, by regulation or order, accounts and accounting systems and practices for associations.

§ 104. Examination

(a) REGULAR EXAMINATIONS.—The Board shall conduct not less than one and not more than two regular examinations during each calendar year into the affairs and management of each association. The Board shall make one or more assessments in each year on all associations in a manner calculated to yield a total sum approximately equal to the total cost of the examinations authorized by this subsection.

(b) SPECIAL EXAMINATIONS.—The Board may conduct a special examination into the whole or any part of the affairs and management of any association at any time and shall assess the association an amount equal to the cost of the examination.

(c) ADVICE AND COMMENT.—The Board may render to any association or officer or director thereof such advice and comment as the Board may deem appropriate with respect to the affairs of the association.

§ 105. Reports

The Board may require periodic and other reports and information from associations.

§ 106. Board authority in receiverships and certain other circumstances

The Board may provide for the reorganization, liquidation, and dissolution of associations, for merger transactions involving associations, for associations in conservatorship and receivership, and for the conduct of conservatorships and receiverships, and the Board may, by regulation or otherwise, provide for the exercise during conservatorship or receivership of functions by depositors, directors, or officers of the association or any body having authority to elect or appoint directors of the association.

§ 107. Administration

(a) DELEGATION OF FUNCTIONS.—The Board may, in its discretion, delegate any of its functions not vested in the Chairman to one or more hearing examiners or members or employees of the Board or the Federal Savings Insurance Corporation.

(b) NONDELEGABLE FUNCTIONS.—The Board may not delegate—

(1) the function of making rules or regulations.

(2) the authority to terminate the insurance of any institution by the Federal Savings Insurance Corporation.

(3) the authority to remove an institution from membership in a Federal Home Loan Bank.

(4) the authority to place any institution in conservatorship, receivership, or any similar status.

(c) REVIEW BY THE BOARD.—The Board

shall review, after opportunity for a hearing which may be informal, any action at a delegated level—

(1) under chapter 2 or 3 of this title or

(2) upon an application for insurance under title IV of the National Housing Act

upon the affirmative vote of any member of the Board upon an application for review by any person adversely affected by that action, but the action shall not be stayed by the application for review or the granting thereof unless the Board shall specifically so order.

(d) ACTION BY BOARD.—The issuance of an order, the passage of a resolution, or the taking of any other action by the Board may be done with the actual personal concurrence of a majority of the members of the Board, whether or not in their physical presence.

(e) APPLICABILITY OF SECTION.—This section shall apply to all functions of the Board whether or not conferred by this title and whether or not relating to associations.

§ 108. Right to amend

The right to amend or repeal this title is reserved.

CHAPTER 2.—ESTABLISHMENT AND VOLUNTARY LIQUIDATION

Sec.
201. Issuance of charter for new association.
202. Conversion from State-chartered institutions.
203. Conversion from Federal savings and loan associations.
204. Name of association; charter provisions.
205. Conversion of associations into State-chartered institutions.
206. Voluntary liquidation.
207. Distribution of assets upon liquidation.

§ 201. Issuance of charter for new association

The Board is authorized to issue a charter for a new association upon the written application, in such form as the Board may by regulation prescribe, of not less than five applicants. The Board shall not issue a charter under this section unless it determines that—

(1) the association will serve a useful purpose in the community in which it is proposed to be established,

(2) there is a reasonable expectation of its financial success,

(3) its operation may foster competition and will not cause undue injury to existing institutions, including commercial banks, that accept funds from savers on deposit or share accounts,

(4) the applicants are persons of good character and responsibility, and

(5) there has been placed in trust or in escrow such amounts in cash or securities approved by the Board as the Board may require, not less than $100,000, to be transferred to the association for an initial reserve upon the issuance of its charter, in consideration of transferable certificates to be issued by the association in such form, upon such terms, and bearing such interest or other return, as the Board may approve.

§ 202. Conversion from State-chartered institution

(a) The Board may issue a charter for a converted association upon the written application, in such form as the Board may by regulation prescribe, of a State-chartered mutual thrift institution. The Board may not issue a charter under this section unless it determines that—

(1) the conversion will not be in contravention of State law,

(2) the converted institution will serve a useful purpose in the community in which it is proposed to be located,

(3) its operation may foster competition and will not cause undue injury to existing institutions, including commercial banks, that accept funds from savers on deposit or share accounts,

(4) there is a reasonable expectation of its financial success, based upon its capitalization, financial history, and quality of management, and such other factors as the Board may deem appropriate.

(5) the composition of its assets is such that, with such exceptions as the Board may prescribe, the institution will be able to dispose of assets not eligible to be invested in by associations, and

(6) the proposed initial members of the board of directors are persons of good character and responsibility and there is a reasonable expectation that they will comply with the provisions of chapter 4 with respect to the conduct of directors.

A converted association may, to such extent as the Board may approve by order, and subject to such prohibitions, restrictions, and limitations as the Board may prescribe by regulation or advice in writing, retain and service the accounts, departments, and assets of the converting institution.

(b) Before issuing a charter under this section, the Board, making appropriate allowances for differences among types of financial institutions, shall take into consideration the quality of the assets of the converting institution, its reserves and surplus, its expense ratios, its history, and such other factors as the Board may deem appropriate.

§ 203. Conversion from Federal savings and loan associations

(a) The Board shall issue a charter for a converted association upon the written application, in such form as the Board may by regulation prescribe, of any Federal savings and loan association two-thirds of whose directors have voted in favor of the conversion, except that the Board need not issue a charter for the conversion of a Federal savings and loan association if a notice or proceeding under section 5(d) of the Home Owners' Loan Act of 1933 or section 407 of the National Housing Act is pending, or an order under either of those sections is outstanding, in connection with any alleged act or omission with reference to the affairs of that Federal savings and loan association.

(b) After the expiration of the ten-year period which begins on the date of enactment of this title, if the Board determines that the number of Federal savings and loan associations in operation does not justify the continued administration of a separate body of law and regulations, the Board may, without application therefor, issue a charter for a converted association to any Federal savings and loan association.

§ 204. Name of association; charter provisions

(a) The name of every association shall include the words "Federal" and "Savings", and shall include the word "Association", "Bank", "Institution", or "Society", except that prior to January 1, 1973, the word "Bank", "Institution", or "Society" may be used only as part of the name of an association converted from a mutual savings bank whose name, immediately prior to conversion, included that word.

(b) Every charter for an association shall set forth—

(1) the name of the association,

(2) the locality in which the principal office is to be located, and

(3) that the charter is issued under the authority of this title, and that the corporate existence, powers, and privileges of the association are subject to this title (including amendments thereto) and all other applicable laws of the United States.

The charter shall be in such form and may contain such additional material as the Board may deem appropriate, and the Board may make provision for amendments thereto.

§ 205. Conversion of associations into State-chartered institutions

(a) Subject to the provisions of subsections (b) and (c) of this section, upon the written application of an association, the Board shall permit it to convert into a State-chartered mutual thrift institution, if the Board determines that—

(1) two-thirds of the association's directors have voted in favor of the proposed conversion,

(2) the requirements of section 407 have been met,

(3) the conversion will not be in contravention of State law, and

(4) upon and after conversion, the converted institution will be an insured institution of the Federal Savings Insurance Corporation or an insured bank of the Federal Deposit Insurance Corporation.

(b) The Board shall not grant any application of an association for permission to convert into a State-chartered institution of any type if, under the laws of the State under whose law the converted institution will exist, a State-chartered institution of that type would not be permitted to convert into an association. If, under the law of that State, the conversion of a State-chartered institution of that type into an association would be subject to conditions more restrictive than those provided in subsection (a) of this section, the more restrictive conditions shall also apply to the conversion of an association into a State-chartered institution of that type, and if such a State-to-Federal conversion would be subject to any discretionary approval on behalf of the State, the approval of the Board of the conversion of an association into a State-chartered institution of that type shall also be discretionary.

(c) No institution into which an association has been converted may, within ten years after the conversion, convert into any type of institution other than a mutual thrift institution which is either a bank insured by the Federal Deposit Insurance Corporation or an institution insured by the Federal Savings Insurance Corporation. This subsection shall apply to conversions regardless of whether taking place directly or through any intermediate conversions. If the Board, in the case of an institution which has a status as an insured institution of the Federal Savings Insurance Corporation, or the Board of Directors of the Federal Deposit Insurance Corporation, in the case of an institution which has a status as an insured bank of the Federal Deposit Insurance Corporation, determines, after notice and opportunity for hearing, that the institution has been converted from an association through a conversion or conversions (including any intermediate conversions) any one or more of which constituted a violation of this subsection, then that board, by order issued not later than two years after any such violation, may without further notice, hearing, or other action terminate that status. Such a termination of status as an insured institution shall have the same effect as where status as an insured institution is terminated by an order issued pursuant to section 407 of the National Housing Act, and such a termination of status as an insured bank shall have the same effect as where status as an insured bank is terminated by an order issued pursuant to section 8(a) of the Federal Deposit Insurance Act. For the purposes of this subsection and section 206 (a), the terms "conversion" and "convert" apply to mergers, consolidations, assumptions of liabilities, and reorganizations as well as conversions.

§ 206. Voluntary liquidation

(a) No association may voluntarily go into liquidation or otherwise wind up its affairs except in accordance with an order of the Board issued under this section.

(b) Upon application by an association, the Board may permit the association to carry out a plan of voluntary liquidation if the Board determines that—

(1) two-thirds of the association's directors

have voted in favor of the proposed plan of liquidation,

(2) the requirements of section 407 have been met,

(3) there is no longer a need in the community for the association, or that there is not a reasonable expectation that the continued operation of the association will be financially sound and successful, and

(4) the plan of liquidation is fair and equitable and in conformity with the requirements of section 207.

§ 207. Distribution of assets upon liquidation

(a) In the event of the liquidation pursuant to section 206 of an association, or in the event of any liquidation of any institution while that institution is subject to the prohibition contained in section 205(c), the net assets remaining after the satisfaction or provision for the satisfaction, in accordance with such rules and regulations as the Board may prescribe, of all proper claims and demands against the association or other institution, including those of depositors or shareholders (but limited, in the case of an institution so subject to section 205(c), to amounts which would have been withdrawable by such depositors or shareholders in th absence of any conversion as defined in section 205(c) while the institution was so subject), shall be distributed to the Federal Savings Insurance Corporation.

(b) In the event of the liquidation of an association otherwise than pursuant to section 206, the net assets remaining after the satisfaction or provision for the satisfaction, in accordance with such rules and regulations as the Board may prescribe, of all proper claims and demands against the association, including those of depositors, shall be distributed to the depositors of the association in accordance with such regulations as the Board may prescribe.

CHAPTER 3.—BRANCHING AND MERGER

Sec.
301. Criteria for establishment of branches.
302. Retention of branches after conversion.
303. Retention of branches after merger transaction.
304. Maintenance of branches.
305. Merger transactions.
306. Charters.
307. Agencies.

§ 301. Criteria for establishment of branches

An association may establish one or more branches, but only with approval of the Board. The Board may grant approval only if it determines that—

(1) there is a reasonable expectation of the branch's financial success, based upon—

(A) the need for such a facility in the locality or localities where it is proposed to be established or operated,

(B) the association's capitalization, financial history, and quality of management, and

(C) such other factors as the Board may deem appropriate;

(2) its operation may foster competition and will not cause undue injury to existing institutions, including commercial banks, that accept funds from savers on deposit or share accounts; and

(3) if the association were a State-chartered commercial bank or thrift institution—

(A) it could lawfully establish the proposed branch, or

(B) an office of an affiliated institution of the same type could be established in the same area.

§ 302. Retention of branches after conversion

With such exceptions and under such conditions as the Board may prescribe, a converted association—

(1) may retain any branch in operation immediately prior to conversion, and

(2) retains any right or privilege, held by the converting institution immediately prior to conversion, to establish or maintain a branch.

§ 303. Retention of branches after merger transaction

(a) Subject to the approval of the Board, which may not be granted later than the effective date of the merger transaction involved, and to the extent permitted by that approval, an association resulting from a merger transaction—

(1) may maintain as a branch the principal office of, or any branch operated by, any other institution party to the transaction immediately prior to consummation thereof, and

(2) acquires any right or privilege then held by the other institution to establish or maintain a branch.

(b) The Board may not grant any approval under subsection (a) of this section unless—

(1) if the resulting association were a State-chartered commercial bank or thrift institution—

(A) it could lawfully establish such a branch,

or

(B) an office of an affiliated institution of the same type could be established in the same area,

or

(2) the Board, in granting such approval, determines that the merger transaction is advisable to prevent a serious risk of failure of one of the institutions involved.

§ 304. Maintenance of branches

An association may not maintain any branch—

(1) unless the branch was authorized to be established or retained, or is authorized to be maintained, by or under this chapter, or

(2) in violation of the terms of any approval granted, or exception or condition prescribed, under this chapter.

§ 305. Merger transactions

An association may carry out a merger transaction from which the resulting institution will be a mutual thrift institution, but only with the approval of the Board. The Board may not grant approval unless it determines that—

(1) every party to the transaction is a mutual thrift institution.

(2) in the case of every party to the transaction which is an association—

(A) two-thirds of the directors have voted in favor of the proposed transaction, and

(B) the requirements of section 407 have been met.

(3) in the case of every party to the transaction which is a Federal savings and loan association—

(A) two-thirds of the directors have voted in favor of the transaction, and

(B) two-thirds of the votes entitled to be cast by members have been cast in favor of the transaction,

at meetings duly called and held for that purpose within six months prior to the time the application is filed with the Board.

(4) in the case of every party to the transaction which is a State-chartered institution, the consummation of the transaction will not be in contravention of State law.

(5) in the case of a merger, consolidation, or acquisition of assets in which the resulting institution is an association, the composition of the assets of the association will be such that, with such exceptions as the Board may prescribe, the association will be able to dispose of assets not eligible to be invested in by associations.

(6) the resulting institution will be an insured bank of the Federal Deposit Insurance Corporation or an insured institution of the Federal Savings Insurance Corporation.

(7) the proposed transaction is approved pursuant to section 411 of the National Housing Act, if applicable, and section 18(c) of the Federal Deposit Insurance Act, if applicable.

§ 306. Charters

The Board may, where appropriate, cancel charters of associations which are parties to merger transactions and issue new charters to resulting institutions.

§ 307. Agencies

An association may establish temporary, incidental, or limited purpose agencies for individual transactions and for limited or temporary purposes within limitations prescribed by the Board.

CHAPTER 4.—MANAGEMENT AND DIRECTORS

Sec.
401. Directors required.
402. Functions of directors.
403. Delegation by directors.
404. Initial directors.
405. Election of directors by depositors.
406. Selection of directors of associations converted from State-chartered mutual savings banks.
407. Approval of proposed merger, conversion, or liquidation.
408. Proxies.
409. Proxy voting and solicitation.
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411. Interlocking directors prohibited; exceptions.
412. Residence.
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417. Certain conditions prohibited.
418. Selection of depositary.
419. Purchases, sales, and contracts.
420. Return on deposits.
421. Personal liability.
422. Connection with securities business.

§ 401. Directors required

An association shall have a board of directors consisting of not less than seven nor more than twenty-five members.

§ 402. Functions of directors

The direction and control of the affairs of an association are vested in the board of directors.

§ 403. Delegation by directors

The Board may prescribe regulations governing the management structure of associations. Subject to those regulations, the board of directors of an association may by bylaws or otherwise delegate such functions and duties as it may deem appropriate.

§ 404. Initial directors

(a) NEW ASSOCIATIONS.—The initial directors of a new association shall be elected by the applicants as soon as practicable after the issuance of the association's charter, and shall have such terms as the Board shall by regulation prescribe.

(b) CONVERTED ASSOCIATIONS.—The initial directors of a converted association shall be the directors of the converting institution, except as the Board may otherwise provide (consistent with section 406(b) where applicable), and shall have such terms as the Board may prescribe by regulation or by such order.

§ 405. Election of directors by depositors

Except as provided in sections 404 and 406, the directors of an association shall be elected by the depositors. The Board may by regulation provide for the terms of office of directors, the manner, time, place, and notice of election, the minimum amount and a holding period or date of determination of any deposit giving rise to voting rights, and the method by which the number of votes any depositor is entitled to cast shall be determined.

§ 406. Selection of directors of associations converted from State-chartered mutual savings banks

(a) APPLICABILITY.—This section applies to any converted association converted from a State-chartered mutual savings bank in operation on the date of enactment of this title whose directors were then and thereafter

until conversion chosen otherwise than by depositor election, if the converting State-chartered bank filed as a part of (or an amendment to) its application for a charter a description in such detail as the Board required of the method by which and the terms for which its directors were chosen, and if the converted association has not elected, by a vote of its directors, to be subject to section 405.

(b) RULE.—The method of selection and terms of office of the directors of any association to which this section is applicable shall be in accordance with the description referred to in subsection (a), with such changes, subject to the discretionary approval of the Board, as may be made upon application by the association.

§ 407. Approval of proposed merger, conversion, or liquidation

(a) ASSOCIATIONS WITH DEPOSITOR VOTING.—No association whose directors are elected by the depositors may make application to the Board for approval of a merger transaction, a conversion, or the liquidation of such association pursuant to section 206, unless two-thirds of the votes entitled to be cast by depositors have been cast in favor of making such application at a meeting of depositors duly called and held not more than six months prior to the making of such application for the purpose of considering and voting on the question. The Board shall by regulation provide for the conduct of meetings pursuant to this subsection and for notice and information required to be furnished to depositors with respect thereto, and may by regulation provide for the minimum amount, type of deposit, and a holding period or date of determination of any deposit giving rise to voting rights, and the method by which the number of votes any depositor is entitled to cast shall be determined.

(b) ASSOCIATIONS WITHOUT DEPOSITOR VOTING.— No association whose directors are not elected by the depositors may make any application of a type which would require depositor approval under subsection (a) of this section, unless two-thirds of the votes which would be entitled to be cast for the election of directors have been cast in favor of making such application.

(c) EXCEPTIONS.—The Board may except from any or all of the foregoing provisions of this section in any case in which the Board determines that such exception should be made because of an emergency requiring expeditious action or because of supervisory considerations.

§ 408. Proxies

(a) IN GENERAL.—Any proxy given by a depositor in an association shall specify the business to which it relates, shall be revocable at any time, and, except in the case of a proxy given solely for the election of directors, shall expire in any event not later than six months after the execution thereof. A proxy given solely for the election of directors shall expire in any event not later than three years after the execution thereof.

(b) FOR APPROVAL OF A MERGER, CONVERSION, OR LIQUIDATION.—Any proxy given by a depositor in an association with respect to a proposal to be voted on pursuant to section 407(a) shall specify whether the holder thereof shall vote in favor of or against the proposal. Any proxy on such a proposal purporting to give the holder discretion with respect to the exercise thereof is void with respect to that proposal.

§ 409. Proxy voting and solicitation

The Board shall, with due regard to standards prescribed for other financial institutions under similar provisions of Federal law, prescribe regulations governing proxy voting and the solicitation of proxies, and requiring the disclosure of financial interest, compensation, and remuneration by the association of persons who are or are proposed as officers or directors, and such other matters as it may deem appropriate in the public interest and for the protection of depositors. The Board shall by regulation provide procedures by which any depositor may, at his own expense, distribute proxy solicitation material to all other depositors, but such procedures shall not require the disclosure by the association of the identity of its depositors. The Board shall by order prohibit the distribution of material found by the Board to be irrelevant, untrue, misleading, or materially incomplete, and may by order prohibit such distribution pending a hearing on such issues.

§ 410. Fiduciary relationship

The directors and officers of an association are in a fiduciary relationship to the association and its depositors. Before issuing any charter under authority of chapter 2 of this title, the Board shall prescribe regulations respecting that relationship. Notwithstanding the provisions of section 102, no regulation issued pursuant to this section shall have the effect of relieving any officer or director of any liability to which he would be subject in the absence of the regulation.

§ 411. Interlocking directorates prohibited; exceptions

(a) GENERAL RULE.—Except as provided in subsection (b) of this section, no director of an association may be an officer or director of any financial institution other than such association.

(b) EXCEPTIONS.—Unless the Board finds, after opportunity for hearing, that there exists an actual conflict of interest, or unless such dual service is prohibited by or under some provision of law other than this subsection a director of a converted association who held office on the date of enactment of this title as a director of the institution from which such converted association was converted, and whose service has been continuous, may continue to be a director of any financial institution of which he has continuously been a director since the date of enactment of this title.

§ 412. Residence

A majority of the directors of any association shall be persons residing not more than 150 miles from the principal office of such association.

§ 413. Compensation

No director may receive remuneration as director except reasonable fees for attendance at meetings of directors or for service as a member of a committee of directors. This subsection does not prohibit the receipt of compensation by a director for services rendered to his association by him in another capacity.

§ 414. Indemnification

To the extent consistent with other provisions of law, the Board may authorize or require associations, subject to such conditions and requirements as the Board may prescribe, to provide for their directors, officers, and employees, and other persons connected with them (including the legal representatives and successors in interest of any such directors, officers, employees, or other persons) indemnification and other protection with respect to any civil or criminal liability incurred by them in their capacity as such.

§ 415. Attendance

The office of a director becomes vacant whenever he fails to attend regular meetings of the directors for a period of six months, unless excused by a resolution duly adopted by the directors prior to or during that period.

§ 416. Borrowing

(a) GENERAL RULE.—Except as provided in subsection (b) of this section, an association may not make any loan or extend credit in any manner, other than on the security of deposits in that association, to any director, officer, or employee of the association, or any person or firm regularly serving the association in the capacity of attorney at law, or to any partnership or trust in which any such party has any interest, or to any corporation in which any of such parties is a stockholder, and no association may purchase any loan from any such party, or from any such partnership, trust, or corporation, except that with the prior approval of a majority of its board of directors not interested in the transaction, such approval to be evidenced by the affirmative vote or written assent of such directors, an association may, to the extent that it is otherwise authorized by law and upon terms not less favorable to the association than those offered to others, make a loan or extend credit to, or purchase a loan from, any corporation in which any such party owns, controls, or holds with power to vote not more than 15 percent of the outstanding voting securities and in which all such parties own, control, or hold with power to vote not more than 25 percent of the outstanding voting securities. In any such case, full details of the transaction shall be reflected in the records of the association.

(b) EXCEPTIONS.—Any association, with the prior approval, evidenced by their affirmative vote or written assent, of a majority of its board of directors and on terms not more favorable than those offered to other borrowers, may make—

(1) any loan on the security of a first lien on a home owned and occupied or to be owned and occupied by a director, officer, or employee of the association, or by a person or member of a firm regularly serving the association in the capacity of attorney at law, in such amount as may be permitted by regulation of the Board,

(2) any loan under authority of section 616 to any director, officer, or employee of the association, or to any member of a firm regularly serving the association in the capacity of attorney at law, and

(3) any other loan, of any type that it may lawfully make to persons not connected with the association in any capacity, to any director, officer, or employee of the association or to any person or member of a firm regularly serving the association in the capacity of attorney at law, but the aggregate amount of loans under authority of this paragraph may not exceed $5,000 to any one borrower.

§ 417. Certain conditions prohibited

No association or director or officer thereof may require, as a condition to the granting of any loan or the extension of any other service by the association, that the borrower or any other person undertake a contract of insurance, or any other agreement or understanding with respect to the furnishing of any other goods or services, with any specific company, agency, or individual.

§ 418. Selection of depositary

No association may deposit any of its funds except with a depositary approved by a vote of a majority of all directors of the association, exclusive of any director who is an officer, partner, director, or trustee of the depositary so designated.

§ 419. Purchases, sales, and contracts

Except as otherwise provided by the Board, no association may purchase from or sell to, or contract to purchase from or sell to, any of its directors, officers, or employees, or any person or firm regularly serving the association in the capacity of attorney at law, or any partnership or trust in which any such party has any interest, or any corporation in which any of such parties is a stockholder, any securities or other property, except that, where permitted by regulation of the Board, an association may make any such purchase from, or any such sale to, any corporation in which any such party owns, controls, or holds with power to vote not more than 15 percent of the outstanding voting securities and in which all such parties own, control,

or hold with power to vote not more than 25 percent of the outstanding voting securities. In any such case, full details of the transaction shall be reflected in the records of the association. Nothing contained in this subsection shall be construed as authorizing an association to purchase or sell any securities or other property which the association is not otherwise authorized by law to purchase or sell.

§ 420. Return on deposits

No association may pay to any director, officer, attorney, or employee a greater rate of return on the deposits of such director, officer, attorney, or employee than that paid to other holders of similar deposits with such association.

§ 421. Personal liability

If the directors or officers of any association shall knowingly violate or permit any of its directors, officers, employees, or agents to violate any of the provisions of sections 416, 419, and 420 of this section or regulation of the Board made under authority thereof or (to such extent as the Board may provide by regulation) made under authority of section 410, or any of the provisions of section 212, 213, 214, 215, 665, 1006, 1014, 1906, or 1909 of title 18 of the United States Code, every director and officer participating in or assenting to such violation shall be held liable in his personal and individual capacity for all damages sustained in consequence of such violation.

§ 422. Connection with securities business

No officer, director, or employee of any corporation or unincorporated association, no partner or employee of any partnership, and no individual, primarily engaged in the issue, flotation, underwriting, public sale, or distribution, at wholesale or retail, or through syndicate participation, of stocks, bonds, or other similar securities, may serve at the same time as an officer, director, or employee of any association except in limited classes of cases in which the Board may allow such service by general regulations when in the judgment of the Board it would not unduly influence the investment policies of such association or the advice it gives to customers regardng investments.

CHAPTER 5.—SOURCES OF FUNDS

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501. Initial reserve.
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504. Eligible savings depositors.
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506. Refusal and repayment.
507. Interest payable only from earnings.
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510. Suspension or limitation by Board.
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§ 501. Initial reserve

An association for which a charter is issued under section 201 may not commence operations until the amount required by the Board pursuant to section 201(5) has been paid to the association for an initial reserve. The initial reserve of an operating association may be reduced only by the amount of losses, or by retirement of the certificates referred to in section 201(5).

§ 502. Other reserves

In addition to any initial reserve, an association shall, when required by the Board, and may, when authorized by the Board, establish, and make such credits and charges to, such other reserves (including valuation reserves) as the Board may so require or authorize, and, subject to such restrictions and limitations as the Board may prescribe, certain amounts as surplus or undivided profits.

§ 503. Borrowing

To such extent as the Board may authorize by regulation or advice in writing, an association may borrow and give security and may issue notes, bonds, debentures, or other obligations or other securities (except capital stock).

§ 504. Eligible savings depositors

An association may accept savings deposits, except from foreign governments and official institutions thereof, and except from private business corporations for profit (other than credit unions and other financial institutions acting in a fiduciary capacity), and may issue passbooks or other evidences of its obligation to repay such savings deposits.

§ 505. Classification of deposits

To such extent and in such manner as the Board may permit, and subject to any restrictions otherwise imposed by law, an association—

(1) may agree to pay an additional rate of interest on any savings deposit based upon its classification with respect to the character, amount, duration, or regularity of the transactions with respect to that deposit if the association pays the same additional rate of interest on all deposits in the same classification; and

(2) may establish classifications of savings deposits on which interest may not or need not be paid.

§ 506. Refusal and repayment

An association may refuse to accept any sums offered for deposit, and may fix, and from time to time alter, a maximum amount for savings deposits, and may repay on a uniform nondiscriminatory basis deposits exceeding such maximum.

§ 507. Interest payable only from earnings

An association may pay interest on savings deposits only from net earnings and undivided profits. The Board may by regulation provide for the time or rate of accrual of any items of unrealized earnings.

§ 508. Advance notice of withdrawal

An association may at any time require that up to sixty days' advance notice be given to it by each depositor before the withdrawal of any savings deposit or portion thereof. An association shall immediately notify the Board in writing whenever it requires any such notice of withdrawal.

§ 509. Withdrawal procedure

Withdrawals shall be paid in the order of actual receipt of applications, except as provided in this subsection. No association may pay any application in full unless it pays every application on file in full, except by paying all applications according to an equitable plan of withdrawals approved by the Board, under which applications are paid from receipts in the order received up to a specified amount, and if any balance then remains unpaid thereon, the application is renumbered and placed at the bottom of the list of applications and handled as though it had been received at that time. Notwithstanding the preceding sentence, the board of directors may pay upon any application not exceeding $200 to any one saving deposit holder in any one month in any order. Saving deposit holders who have filed written applications for withdrawals shall remain depositors so long as their applications remain on file. No earnings shall be declared upon that portion of a deposit which has been noticed for withdrawal, which for earnings purposes is required to be deducted from the latest previous additions to such deposit, so long as such application is on file. In no event shall an association voluntarily or involuntarily delay or postpone the whole or partial payment of the value of any savings deposit pursuant to a written withdrawal application by a savings depositor for a period exceeding sixty days following the receipt of such application without first securing written permission from the Board. An association which, without meeting such terms and conditions as the Board may prescribe, has failed for sixty days after a withdrawal application has been filed with it to pay such withdrawal application in full, shall be deemed to be in an unsound condition to transact business within the meaning of section 814 of this title.

§ 510. Suspension or limitation by Board

If the Board finds that unusual and extraordinary circumstances so require, the Board may suspend or limit withdrawals of savings deposits from any association. The Board shall enter any such findings on its records.

§ 511. Time deposits

An association may accept deposits for fixed periods of time from any depositors other than foreign governments and official institutions thereof, and may issue nonnegotiable interest-bearing time certificates of deposit or other evidences of its obligations thereunder. The Board may prescribe limitations as to amount with respect to any deposit, or the deposits of any depositor, under this section. Deposits may be accepted under this section for periods of time not less than six months in the case of private business corporations for profit, and not less than ninety-one days in the case of other eligible depositors, including credit unions and financial institutions acting in a fiduciary capacity.

§ 512. Authority of Board

The exercise by associations of authority vested in them by or under sections 504, 505, 506, 507, 508, 509, and 511 shall be subject to such rules and regulations as the Board may prescribe, except that nothing in this section shall confer on the Board any authority with respect to interest rates other than the additional rate referred to in section 505(1).

CHAPTER 6.—INVESTMENTS

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§ 601. Definitions

For the purposes of this chapter, the term—

(1) "general obligation" means an obligation which is supported by an unqualified promise, or an unqualified pledging or commitment of faith or credit—

(A) to pay, directly or indirectly, an aggregate amount which (together with any other funds available for the purpose) will suffice to discharge such obligation according to its terms, and

(B) made by an entity referred to in section 606(1) or 607(a) or by a governmental entity possessing general powers of taxation, including property taxation.

(2) "political subdivision of a State" includes any county, municipality, or taxing or other district of a State and any public instrumentality, public authority, commission, or other public body of any one or more States.

(3) the amount of any securities held by an association at any time shall be measured by the cost thereof, determined in such manner as may be prescribed by the Board.

(4) "eligible leasehold estate" means with reference to any loan a leasehold estate meeting such requirements as the Board may

by regulation prescribe for the purpose of this subsection.

(5) "conventional loan" means a loan (other than such a loan as is referred to in section 618) which is secured by a first lien on a fee simple or eligible leasehold estate in improved real property.

(6) "loan" includes obligations and advances of credit.

(7) "real property" includes an eligible leasehold estate.

(8) "primary lending area" means all territory located within a radius of one hundred miles of the principal office of an association and, in the case of an association converted from a thrift institution, any additional territory within which that institution was authorized to lend on real estate security prior to the date of its conversion.

§ 602. Authority required

An association may make no loan or investment which is not authorized under this title or other provisions of Federal law.

§ 603. Service organizations

Subject to such prohibitions, limitations, and conditions as the Board may prescribe by regulation or advice in writing, the Board may authorize an association to acquire or retain capital stock, obligations, or other securities of a corporation or other organization upon a determination by the Board that such acquisition or retention is necessary or advisable in order to enable the association, in carrying out its lawful functions, to obtain, from or through the corporation or organization—

(1) services or facilities, or

(2) other means of assistance of a character which the association could lawfully provide for itself directly,

but no such acquisition or retention of capital stock may be made or authorized if the aggregate outstanding investment of the association, determined as prescribed by the Board, in capital stock under this subsection would thereupon exceed 1 per centum of the assets of the association.

§ 604. Purchases and participations

Subject to such limitations and requirements as to amounts and as to terms and conditions as the Board may prescribe, an association may acquire by purchase or otherwise any loan or investment, or may acquire by origination or otherwise a participating or other partial interest in any loan or investment, if—

(1) at the time of such purchase or acquisition, the association would have had authority to make that type of loan or investment (up to the amount of the price of or consideration given for the acquisition) itself, and

(2) in the case of a participating or other partial interest, the association's interest is—

(A) at least equal in rank to any other interest therein not held by the United States or an agency thereof, and

(B) superior in rank to any other interest therein not held by the United States or any agency thereof, a financial institution, or a holder approved by the Board for the purposes of this section.

§ 605. Composition of assets

Each association shall maintain an annual average, based upon monthly computations, of at least 60 per centum of its assets (other than currency, demand deposits in banks, assets held pursuant to section 606, and such other obligations as the Board may approve) in loans (or participations therein), except to the extent that the Board may otherwise authorize by regulation or advice in writing, of one or more of the following categories:

(1) a conventional loan, whose initial amount does not exceed $50,000 and whose initial loan-to-value ratio does not exceed 90 per centum, upon the security of a single-family residence within its primary lending area (whether or not detached and whether or not part of a condominium), including its furnishings and equipment.

(2) a conventional loan whose initial loan-to-value ratio does not exceed 80 per centum upon the security of real estate within its primary lending area on which there is located or will be located pursuant to a real estate loan, any of the following: (A) a structure or structures designed or used primarily for residential rather than nonresidential purposes and consisting of more than one dwelling unit; (B) a structure or structures designed or used primarily for residential rather than nonresidential purposes for students, residents, and persons under care, employees or members of the staff of an educational, health, or welfare institution or facility; and (C) a structure or structures which are used in part for residential purposes for not more than one family and in part for business purposes, if the residential use of such structure or structures is substantial and permanent, not merely transitory.

(3) a loan whose initial loan-to-value ratio does not exceed 80 per centum upon the security of urban development real property (including, but not limited to, loans in urban renewal areas).

(4) a loan which meets the requirements of section 618 and which is made upon the security of real property.

§ 606. Investments eligible for unrestricted investment

An association may invest in—

(1) general obligations of the United States.

(2) direct obligations of, and obligations fully guaranteed as to principal and interest by, and any other obligations, participations, or other instruments of or issued by—

(A) one or more Federal home loan banks.

(B) one or more banks for cooperatives, or the Central Bank for Cooperatives.

(C) one or more Federal land banks.

(D) the Federal National Mortgage Association.

(E) one or more Federal intermediate credit banks.

(F) the Tennessee Valley Authority.

(G) any agency or instrumentality of the United States in addition to those specified in subparagraphs (A) through (F) of this paragraph, to the extent that investment therein is approved by the Board.

(H) the International Bank for Reconstruction and Development.

(I) the Inter-American Development Bank.

(J) the Asian Development Bank.

(3) general obligations of any State.

(4) bankers' acceptances eligible for purchase by Federal Reserve banks.

(5) stock of a Federal home loan bank.

§ 607. Canadian obligations

(a) OBLIGATIONS OF CANADA AND CANADIAN PROVINCES.—Subject to the limitations contained in subsection (b) of this section, an association may invest in general obligations of, and obligations fully guaranteed as to principal and interest by, Canada or any Province of Canada.

(b) GENERAL LIMITATIONS.—Any investment by an association in a Canadian obligation, whether pursuant to section 608(2) or subsection (a) of this section, shall be subject to the limitations and conditions that—

(1) such obligation is payable in United States funds, and

(2) immediately upon the making of such investment—

(A) not more than 5 per centum of the association's assets will be invested in Canadian obligations, and

(B) if the investment is in an obligation of a Province of Canada, not more than 1 per centum of the association's assets will be invested in the obligations of such Province.

(c) DEFINITION.—As used in this section, the term "Canadian obligation" means an obligation referred to in subsection (a) of this section or an obligation of Canada or of a Province of Canada referred to in section 608(2).

§ 608. Certain other investments

Subject to the limitation that immediately upon the making of any investment in any security or obligation under authority of this section, not more than 2 per centum of the association's assets will be invested in the securities and obligations of the issuer or obligor of such security or obligation, and subject to such further limitations as to amount and such requirements as to investment merit and marketability as the Board may by regulation prescribe, an association may invest in—

(1) general obligations of a political subdivision of a State.

(2) revenue or other special obligations of Canada, a Province of Canada, a State, or a political subdivision of a State.

(3) obligations or securities (other than equity securities) issued by any corporation organized under the laws of the United States or any State.

(4) obligations of a trustee or escrow agent acting to meet the requirements of section 201(5) of this title, any certificates issued by an association pursuant to such section, and any subordinated debentures of a mutual thrift institution which is insured by the Federal Deposit Insurance Corporation or the Federal Savings Insurance Corporation.

(5) equity securities issued by any corporation organized under the laws of the United States or any State, subject to the further limitations and conditions that at the time of such investment the aggregate of the reserves and undivided profits of the association is at least equal to 5 per centum of the assets of the association and that immediately upon the making of any investment in any equity security under authority of this paragraph—

(A) the aggregate amount of all equity securities then held by the association under authority of this paragraph does not exceed 50 per centum of its reserves and undivided profits, and

(B) the quantity of the equity securities of the same class and issuer then held by the association shall not exceed 5 per centum of the total outstanding.

For the purposes of this section, the Board may by regulation define the term "corporation" to include any form of business organization.

§ 609. Urban renewal

An association may invest not more than 2 per centum of its assets in, or in interests in, real property located within urban renewal areas as defined in section 110(a) of the Housing Act of 1949. Investments under this section are subject to such limitations and requirements as may be prescribed by the Board.

§ 610. Conventional loans

(a) An association may make conventional loans subject to the following conditions and limitations:

(1) No loan to any borrower may result in an aggregate indebtedness by such borrower, directly or indirectly, to the association exceeding 2 per centum of the association's assets at the time the loan is made, or $50,000, whichever is greater.

(2) No loan on the security of any one lien may result in an aggregate indebtedness to the association upon the security of such lien exceeding 2 per centum of the bank's assets at the time the loan is made, or $50,000, whichever is greater.

(3) No loan secured by a first lien in a fee simple estate in—

(A) a one- to four-family residence may exceed 80 per centum, or

(B) any other real property may exceed 75 per centum,

of the value of the property, except under such conditions and subject to such limita-

tions as the Board may by regulation prescribe.

(4) No loan may be made secured by a first lien on a leasehold estate except in accordance with such further requirements and restrictions as the Board may by regulation prescribe.

(b) Loans under this section shall be subject to such restrictions and requirements as to appraisal and valuation, maturity (which shall not exceed thirty years in the case of loans on one- to four-family residences), amortization, terms and conditions, and lending plans and practices as the Board may prescribe by regulation. Such restrictions and requirements may differ according to the purpose, type of property securing the loan, or other factors deemed relevant by the Board.

§ 611. Real property improvement loans

Subject to such prohibitions, limitations, and conditions as the Board may by regulation prescribe, an association may make loans for the repair, furnishing, equipping, alteration, or improvement of any real property.

§ 612. Loans on unimproved property

An association may make any loan not otherwise authorized under this title secured by a first lien on a fee simple or eligible leasehold estate in unimproved property if the loan—

(1) is made in order to finance the development of land to provide building sites or is made for other purposes approved by the Board by regulation as being in the public interest, and

(2) conforms to regulations limiting the exercise of powers under this section and containing requirements as to repayment, maturities, ratios of loan to value, maximum aggregate amounts, and maximum loans to any one borrower or secured by any one lien, which shall be prescribed by the Board with a view to avoiding undue risks to associations and minimizing inflationary pressures on land in urban and urbanizing areas.

§ 613. Loan servicing

An association which invests in a loan where the property securing the loan is a one- to four-family residence more than one hundred miles, and in a different State, from the principal office of the association must retain with respect to that loan, a Federal Housing Administration-approved mortgagee, which has qualified or is otherwise authorized to do business in the State where the property is located, to act as an independent loan servicing contractor, and to perform, with respect to the loan, loan servicing functions and such other related services as are required by the Board.

§ 614. Loans secured by certain collateral

An association may make any loan secured by—

(1) a deposit in itself.

(2) a deposit or share account in another thrift institution or a deposit in a commercial bank, but only to such extent as the Board may permit by regulation, and subject to any limitations and conditions the Board may impose.

(3) a life insurance policy, not exceeding the cash surrender value of the policy.

(4) any obligation or security in which the association might lawfully invest at the time the loan is made, but the loan shall not exceed such percentage of the value of the obligation or security, nor be contrary to such limitations and requirements, as the Board may by regulation prescribe.

§ 615. Unsecured loans

An association may make unsecured loans not otherwise authorized under this title, but only to such extent as the Board may by regulation permit, and subject to such limitations and conditions as the Board shall by regulation impose. No loan under authority of this section may be made or acquired by any association if the effect would be to increase the outstanding principal of such loans by the association to any principal obligor (as defined by the Board) to an amount which exceeds $5,000. No loan may be made or acquired under authority of this section if any obligor on the loan is a private business corporation for profit.

§ 616. Educational loans

Subject to such prohibitions, limitations, and conditions as the Board may by regulation prescribe, an association may make loans for the payment of expenses of business, vocational, professional, or college or university education.

§ 617. Mobile home loans

Subject to such prohibitions, limitations, and conditions as the Board may by regulation prescribe, an association may make loans for the purpose of mobile home financing.

§ 618. Guaranteed or insured loans

Unless otherwise provided by regulations of the Board, an association may make any loan the repayment of which is wholly or partially guaranteed or insured by the United States or a State or by an agency of the United States or of a State, or as to which the association has the benefit of such insurance or guaranty or of a commitment or agreement therefor.

CHAPTER 7.—CORPORATE POWERS AND DUTIES

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702. Service as depositary and fiscal agent of the United States.
703. State taxation.
704. Service as trustee of certain trusts.
705. Federal Home Loan Bank membership.
706. Change of location of offices.
707. Liquidity requirements.

§ 701. General powers

(a) SPECIFIED POWERS.—An association shall be a corporation organized and existing under the laws of the United States, and, subject to such restrictions as may be imposed under this title or other provisions of law shall have power—

(1) to adopt and use a seal.

(2) to sue and be sued.

(3) to adopt bylaws governing the manner in which its business may be conducted and the powers vested in it may be exercised.

(4) to make and carry out such contracts and agreements, provide such benefits to its personnel, and take such other action as it may deem necessary or desirable in the conduct of its business.

(5) to sell mortgages and interests therein, and to perform loan servicing functions and related services for others in connection with such sales, if the sales are incidental to the investment and management of the funds of the association.

(6) to appoint and fix the compensation of such officers, attorneys, and employees as may be desirable for the conduct of its business, define their authority and duties, require bonds of such of them as the directors may designate, and fix the penalties and pay the premiums on the bonds.

(7) to acquire by purchase, lease, or otherwise such real property or interests in real property as the directors may deem necessary or desirable for the conduct of its business and sell, lease, or otherwise dispose of the same or any interest therein; but the amount so invested shall not exceed one-half of the aggregate of its surplus, undivided profits, and reserves, or such greater amount as the Board may permit by written authorization.

(8) to act as agent for others in any transaction incidental to the operation of its business.

(9) solely upon the order and for the account of its depositors, to act as agent for the purchase and sale of securities issued by investment companies registered under the Investment Company Act of 1940.

(10) to act as a custodian under the Uniform Gifts to Minors Act or any similar law of any State.

(11) when and to the extent permitted by the Board by advice in writing, to form and hold subsidiary corporations which are, with legally necessary exceptions, if any, such as directors' qualifying shares, wholly owned by the association, for the sole purpose of owning property or conducting activities (other than accepting interest-bearing deposits or making loans) which the association itself might to the same extent lawfully own or conduct. Any corporation held under authority of this paragraph, including its records, property, and personnel, shall be fully as subject as the association itself to examination, supervision, and regulation by the Board. Securities and obligations of any such corporation held by the association pursuant to this paragraph shall not be subject to the limitations prescribed in chapter 6, but shall be subject to such limitations, restrictions, and requirements as the Board may prescribe.

(b) POWERS UNDER OTHER PROVISIONS OF FEDERAL LAW.—An association may exercise any power conferred upon it by or under any provision of Federal law other than this title, but the exercise of any such power shall be subject to such regulations as the Board may prescribe.

(c) IMPLIED POWERS.—In addition to the powers expressly enumerated or defined in this title, an association shall have power to do all things reasonably incident to the exercise of those powers, subject to such regulations as the Board may prescribe.

§ 702. Service as depositary and fiscal agent of the United States

When so designated by the Secretary of the Treasury, an association shall be a depositary of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary; and may also be employed as a fiscal agent of the Government; and shall perform all such reasonable duties as depositary of public money and as fiscal agent of the Government as may be required of it.

§ 703. State taxation

(a) No tax may be imposed by any State on any association or its franchise, surplus, deposits, assets, reserves, loans, or income which is greater than the least onerous imposed by that State on any other financial institution (except insurance companies).

(b) No tax may be imposed by any State except the State of domicile on an association whose transactions within that State do not constitute doing business, or on that association's franchise, surplus, deposits, assets, reserves, loans, or income, except that this subsection does not exempt foreclosed properties from ad valorem taxes or taxes based on the income on receipts from foreclosed properties.

(c) The term "doing business" as used in this section does not include any one or more of the following activities when engaged in by an association:

(1) The acquisition of loans or interests therein (including the negotiation thereof) secured by mortgages or deeds of trust on real property situated in a nondomiciliary State.

(2) The physical inspection and appraisal of property in a nondomiciliary State as security for mortgages or deeds of trust.

(3) The ownership, modification, renewal, extension, transfer, or foreclosure of loans secured by property in a nondomiciliary State, or the acceptance of substitute or additional obligors thereon.

(4) The making, collecting, and servicing of loans secured by property in a nondomiciliary State through a concern engaged in that State in the business of servicing real estate loans for investors.

(5) Maintaining or defending any action or suit or any administrative or arbitration proceeding arising as a result of loans secured by property in a nondomiciliary State.

(6) The acquisition of title to property

which is the security for such a loan in the event of default on the loan.

(7) Pending liquidation of its investment therein within a reasonable time, operating, maintaining, renting, or otherwise dealing with, selling, or disposing of, real property acquired under foreclosure sale, or by agreement in lieu thereof.

(d) No political subdivision, taxing authority, or other entity within any State may impose any tax which is forbidden to be imposed by that State under this section.

(e) As used in this section, the term "State of domicile" means the State in which a given association's principal office is located, and the term "nondomiciliary State" means a State other than the State in which that association's principal office is located.

§ 704. Service as trustee of certain trusts

An association may serve as trustee or custodian under any plan which meets the qualifications set forth in section 401(d) of the Internal Revenue Code of 1954 or any similar provision of law, and may offer special accounts designed for any such plan. An arrangement which would otherwise be such a trust having an association as the trustee shall not, for the purposes of this section or of any of those provisions, be considered not to be such a trust having the association as trustee on the ground that any property held under the arrangement consists or has consisted of deposits in or obligations of the association. Any exercise by an association of authority under this section is subject to regulation by the Board.

§ 705. Federal home loan bank membership

Upon the issuance of a charter to an association, the association shall automatically become a member of the Federal home loan bank of the district in which its principal office is located, or, if convenience so requires and the Board approves, shall become a member of a Federal home loan bank of an adjoining district. Associations shall qualify for membership in the manner provided in the Federal Home Loan Bank Act for other members.

§ 706. Change of location of offices

An association may not change the location of its principal office or any branch except with the approval of the Board.

§ 707. Liquidity requirements

(a) GENERAL PROVISIONS.—Every association shall maintain liquid assets consisting of cash, time and savings deposits, and obligations referred to in section 606 in such aggregate amount as, in the opinion of the Board, is appropriate to assure the soundness of associations. The requirement prescribed by the Board pursuant to this subsection (hereinafter in this section referred to as "general liquidity requirement") shall not be less than 4 per centum or more than 10 per centum of the obligation of the association on deposits and borrowings. The Board may specify the proportion, maturity, and type of obligations eligible for inclusion in the general liquidity requirement. An association may, at its option, hold cash in satisfaction of any part of any liquidity requirement.

(b) CLASSIFICATION.—The Board may prescribe from time to time different general liquidity requirements, within the limitations specified herein, for different classes of associations, and for such purposes the Board is authorized to classify associations according to type of institution, size, location, rate of withdrawals, composition and quality of assets, composition of deposits and liabilities, and ratio of reserves and surplus to deposits to such extent as the Board may deem to be reasonably necessary or appropriate for effectuating the purposes of this section.

(c) ADDITIONAL LIQUIDITY.—The Board may require additional liquidity (hereinafter in this section referred to as "special liquidity requirement") of any association or associations if, in the opinion of the Board, the composition and quality of assets, or the composition of deposits and liabilities, or the ratio of reserves and surplus to the deposits of the association or associations requires a further limitation of risk to protect the safety and soundness of the association or associations. The total of the general liquidity required under subsection (a) hereof, and the special liquidity required by the Board under this subsection, shall not exceed 15 per centum of the obligation of the association on deposits and borrowings.

(d) COMPUTATION.—The amount of the general liquidity required to be maintained by each association, and any deficiencies in such liquidity, shall be computed on the basis of the average daily net amounts of the association covering such periods as may be established by the Board. Any special liquidity required of any association shall be computed in such manner as the Board may prescribe.

(e) PENALTIES.—For any deficiency in the general or special liquidity, the Board may, in its discretion, assess a penalty which shall be—

(1) the payment by the association to the corporation insuring its deposits of an amount equal to such percentage per annum as the Board may fix, not greater than 1 percentage point above the current rate for short-term advances charged by the Federal home loan bank of which it is a member or in whose district its principal office is located, of the amount of the deficiency computed as provided in subsection (d), or

(2) the making of advances to the association by the Federal home loan bank of which it is a member at the current rate for short-term advances by that home loan bank, and the payment by the association to the corporation insuring its deposits at a rate not greater than 1 per centum per annum on those advances.

(f) REDUCTION OF LIQUIDITY; SUSPENSION OF REQUIREMENTS.—Whenever the Board deems it advisable, in order to enable an association to meet requests for withdrawals and other existing obligations, the Board may, subject to such conditions as it shall impose, permit the association to reduce its liquidity below the minimum amount; and in time of national emergency, the Board may suspend any part or all of the liquidity requirements provided for herein for such period as the Board deems necessary but not beyond the duration of the emergency.

CHAPTER 8.—ENFORCEMENT

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§ 801. General powers of Board

The Board shall have power to enforce this title and rules and regulations made under this title. In the enforcement of any law or regulation, or in any other action, suit, or proceeding to which it is a party or in which it is interested, and in the administration of conservatorships and receiverships, the Board is authorized to act in its own name and through its own attorneys. Except as otherwise provided in this title, the Board shall be subject to suit (other than suits on claims for money damages) by any association or director or officer thereof with respect to any matter under this title or any other applicable law, or rules or regulations thereunder, in the United States district court for the judicial district in which the principal office of the association is located, or in the United States District Court for the District of Columbia, and the Board may be served with process in the manner prescribed by the Federal Rules of Civil Procedure.

§ 802. Issuance of cease-and-desist order

If, in the opinion of the Board, an association is violating or has violated, or the Board has reasonable cause to believe that the association is about to violate, a law, rule, regulation, or charter or other condition imposed in writing by the Board in connection with the granting of any application or other request by the association, or written agreement entered into with the Board, or is engaging or has engaged, or the Board has reasonable cause to believe that the association is about to engage, in an unsafe or unsound practice, the Board may issue and serve upon the association a notice of charges in respect thereof. The notice shall contain a statement of the facts constituting the alleged violation or violations or the unsafe or unsound practice or practices, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the association. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after service of such notice unless an earlier or a later date is set by the Board at the request of the association. Unless the association shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the cease-and-desist order. In the event of such consent, or if upon the record made at any such hearing the Board shall find that any violation or unsafe or unsound practice specified in the notice of charges has been established, the Board may issue and serve upon the association an order to cease and desist from any such violation or practice. Such order may, by provisions which may be mandatory or otherwise, require the association and its directors, officers, employees, and agents to cease and desist from the same, and further, to take affirmative action to correct the conditions resulting from any such violation or practice.

§ 803. Effective date of cease-and-desist order

A cease-and-desist order shall become effective at the expiration of thirty days after service of such order upon the association concerned (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable, except to such extent as it is stayed, modified, terminated, or set aside by action of the Board or a reviewing court.

§ 804. Temporary cease-and-desist order

Whenever the Board shall determine that the violation or threatened violation or the unsafe or unsound practice or practices, specified in the notice of the charges served upon the association pursuant to section 802 or the continuation thereof, is likely to cause insolvency (as defined in section 814(1)) or substantial dissipation of assets or earnings of the association, or is likely to otherwise seriously prejudice the interests of its savings account holders, the Board may issue a

temporary order requiring the association to cease and desist from any such violation or practice. Such order shall become effective upon service upon the association and, unless set aside, limited, or suspended by a court in proceedings authorized by section 805, shall remain effective and enforceable pending the completion of the administrative proceedings pursuant to such notice and until such time as the Board shall dismiss the charges specified in such notice or, if a cease-and-desist order is issued against the association, until the effective date of any such order.

§ 805. Injunction to suspend order

Within ten days after the association concerned has been served with a temporary cease-and-desist order, the association may apply to the United States district court for the judicial district in which the home office of the association is located or the United States District Court for the District of Columbia, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of such order pending the completion of the administrative proceedings pursuant to the notice of charges served upon the association under section 802, and such court shall have jurisdiction to issue such injunction.

§ 806. Enforcement of temporary order

In the case of violation or threatened violation of, or failure to obey, a temporary cease-and-desist order, the Board may apply to the United States district court, or the United States court of any territory, within the jurisdiction of which the home office of the association is located, for an injunction to enforce such order, and, if the court shall determine that there has been such violation or threatened violation or failure to obey, it shall be the duty of the court to issue such injunction.

§ 807. Notice of intention to remove

Whenever, in the opinion of the Board, any director or officer of an association has committed any violation of law, rule, or regulation, or of a cease-and-desist order which has become final, or has engaged or participated in any unsafe or unsound practice in connection with the association, or has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as such director or officer, and the Board determines that the association has suffered or will probably suffer substantial financial loss or other damage or that the interests of its savings account holders could be seriously prejudiced by reason of such violation or practice or breach of fiduciary duty, and that such violation or practice or breach of fiduciary duty is one involving personal dishonesty on the part of such director or officer, the Board may serve upon such director or officer a written notice of its intention to remove him from office. As used in this section and in sections 808, 809, 810, and 811, the term "violation" includes without limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

§ 808. Notice of intention to remove and prohibition against participation

Whenever, in the opinion of the Board, any director or officer of an association, by conduct or practice with respect to another savings and loan association or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to continue as a director or officer, and, whenever, in the opinion of the Board, any other person participating in the conduct of the affairs of an association, by conduct or practice with respect to such association or other savings and loan association or other business institution which resulted in substantial financial loss or other damage, has evidenced his personal dishonesty and unfitness to participate in the conduct of the affairs of such association, the Board may serve upon such director, officer, or other person a written notice of its intention to remove him from office and/or to prohibit his further participation in any manner in the conduct of the affairs of such association.

§ 809. Temporary suspension of prohibition

In respect to any director or officer of an association or any other person referred to in section 807 or 808, the Board may, if it deems it necessary for the protection of the association or the interests of its savings account holders, by written notice to such effect served upon such director, officer, or other person, suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the association. Such suspension and/or prohibition shall become effective upon service of such notice and, unless stayed by a court in proceedings authorized by section 811, shall remain in effect pending the completion of the administrative proceedings pursuant to the notice served under section 807 or 808 and until such time as the Board shall dismiss the charges specified in such notice, or, if an order of removal and/or prohibition is issued against the director or officer or other person, until the effective date of any such order. Copies of any such notice shall also be served upon the association of which he is a director or officer or in the conduct of whose affairs he has participated.

§ 810. Procedure after notice

A notice of intention to remove a director, officer, or other person from office and/or to prohibit his participation in the conduct of the affairs of an association, shall contain a statement of the facts constituting ground therefor, and shall fix a time and place at which a hearing will be held thereon. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after the date of service of such notice, unless an earlier or a later date is set by the Board at the request of (1) such director, officer, or other person, and for good cause shown, or (2) the Attorney General of the United States. Unless such director, officer, or other person shall appear at the hearing in person or by a duly authorized representative, he shall be deemed to have consented to the issuance of an order of such removal and/or prohibition, in the event of such consent, or if upon the record made at any such hearing the Board shall find that any of the grounds specified in such notice has been established, the Board may issue such orders of suspension or removal from office, and/or prohibition from participation in the conduct of the affairs of the association, as it may deem appropriate. Any such order shall become effective at the expiration of thirty days after service upon such association and the director, officer, or other person concerned (except in the case of an order issued upon consent, which shall become effective at the time specified therein). Such order shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Board or a reviewing court.

§ 811. Injunction against suspension or prohibition

Within ten days after any director, officer, or other person has been suspended from office and/or prohibited from participation in the conduct of the affairs of an association under section 809, such director, officer, or other person may apply to the United States district court for the judicial district in which the home office of the association is located, or the United States District Court for the District of Columbia, for a stay of such suspension and/or prohibition pending the completion of the administrative proceedings pursuant to the notice served upon such director, officer, or other person under section 807 or 808, and such court shall have jurisdiction to stay such suspension and/or prohibition.

§ 812. Removal, suspension, and prohibition

Whenever any director or officer of an association, or other person participating in the conduct of the affairs of such association, is charged in any information, indictment, or complaint authorized by a United States attorney, with the commission of or participation in a felony involving dishonesty or breach of trust, the Board may, by written notice served upon such director, officer, or other person, suspend him from office and/or prohibit him from further participation in any manner in the conduct of the affairs of the association. A copy of such notice shall also be served upon the association. Such suspension and/or prohibition shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the Board. In the event that a judgment of conviction with respect to such offense is entered against such director, officer, or other person, and at such time as such judgment is not subject to further appellate review, the Board may issue and serve upon such director, officer, or other person an order removing him from office and/or prohibiting him from further participation in any manner in the conduct of the affairs of the association except with the consent of the Board. A copy of such order shall be served upon such association, whereupon such director or officer shall cease to be a director or officer of such association. A finding of not guilty or other disposition of the charge shall not preclude the Board from thereafter instituting proceedings to remove such director, officer, or other person from office and/or to prohibit further participation in association affairs, pursuant to section 807 or 808.

§ 813. Functions of board of directors after suspension

If at any time, because of the suspension of one or more directors pursuant to this chapter, there shall be on the board of directors of an association less than a quorum of directors not so suspended, all powers and functions vested in or exercisable by such board shall vest in and be exercisable by the director or directors on the Board and not so suspended, until such time as there shall be a quorum of the board of directors. In the event all of the directors of an association are suspended pursuant to this chapter, the Board shall appoint persons to serve temporarily as directors in their place and stead pending the termination of such suspensions, or until such time as those who have been suspended cease to be directors of the association and their respective successors take office.

§ 814. Appointment of conservator or receiver; grounds

The grounds for the appointment of a conservator or receiver for an association shall be one or more of the following:

(1) Insolvency in that the assets of the association are less than its obligations to its creditors and others, including its members.

(2) Substantial dissipation of assets or earnings due to any violation or violations of law, rules, or regulations, or to any unsafe or unsound practice or practices.

(3) An unsafe or unsound condition to transact business.

(4) Willful violation of a cease-and-desist order which has become final.

(5) Concealment of books, papers, records, or assets of the association or refusal to submit books, papers, records, or affairs of the association for inspection to any examiner or to any lawful agent of the Board.

The Board shall have exclusive power and jurisdiction to appoint a conservator or receiver. If, in the opinion of the Board, a ground for the appointment of a conservator or receiver as herein provided exists, the Board is authorized to appoint ex parte and without notice a conservator or receiver for

the association. In the event of such appointment, the association may, within thirty days thereafter, bring an action in the United States district court for the judicial district in which the home office of such association is located, or in the United States District Court for the District of Columbia, for an order requiring the Board to remove such conservator or receiver, and the court shall upon the merits dismiss such action or direct the Board to remove such conservator or receiver. Such proceedings shall be given precedence over other cases pending in such courts, and shall be in every way expedited. Upon the commencement of such an action, the court having jurisdiction of any other action or proceeding authorized under this subsection to which the association is a party shall stay such action or proceeding during the pendency of the action for removal of the conservator or receiver.

§ 815. Appointment without notice

In addition to the foregoing provisions, the Board may, without any requirement of notice, hearing, or other action, appoint a conservator or receiver for an association in the event that—

(1) The association, by resolution of its board of directors or of its depositors and obligors or members, consents to such appointment, or

(2) The association is removed from membership in any Federal home loan bank, or its status as an institution the accounts of which are insured by the Federal Savings Insurance Corporation is terminated.

§ 816. Remedies exclusive

Except as otherwise provided in this chapter, no court may take any action for or toward the removal of any conservator or receiver, or except at the instance of the Board, restrain or affect the exercise of powers or functions of a conservator or receiver.

§ 817. Conservators

A conservator shall have all the powers of the depositors and obligors or the members, the directors, and the officers of the association and shall be authorized to operate the association in its own name or to conserve its assets in the manner and to the extent authorized by the Board. The Board shall appoint only the Federal Savings Insurance Corporation as receiver for an association, and said Corporation shall have power to buy at its own sale as receiver, subject to approval by the Board. The Board may, without any requirement of notice, hearing, or other action, replace a conservator with another conservator or with a receiver, but any such replacement shall not affect any right which the association may have to obtain judicial review of the original appointment, except that any removal under section 814, 815, or 816 shall be removal of the conservator or receiver in office at the time of such removal.

§ 818. Venue of hearings; judicial review

Any hearing provided for in this chapter shall be held in the Federal judicial district or in the territory in which the home office of the association is located unless the party afforded the hearing consents to another place, and shall be conducted in accordance with the provisions of chapter 5 of title 5 of the United States Code. Such hearing shall be private, unless the Board, in its discretion, after fully considering the views of the party afforded the hearing, determines that a public hearing is necessary to protect the public interest. After such hearing, and within ninety days after the Board has notified the parties that the case has been submitted to it for final decision, the Board shall render its decision (which shall include findings of fact upon which its decision is predicated) and shall issue and cause to be served upon each party to the proceeding an order or orders consistent with the provisions of this subsection. Judicial review of any such order shall be exclusively as provided in this section, section 819, and section 820. Unless a petition for review is timely filed in a court of appeals of the United States, as hereinafter provided in section 819, and thereafter until the record in the proceeding has been filed as so provided, the Board may at any time, upon such notice and in such manner as it shall deem proper, modify, terminate, or set aside any such order. Upon such filing of the record, the Board may modify, terminate, or set aside any such order with permission of the court.

§ 819. Judicial review

Any party to the proceeding, or any person required by an order issued under this chapter to cease and desist from any of the violations or practices stated herein may obtain a review of any order served pursuant to section 818 (other than an order issued with the consent of the association or the director or officer or other person concerned, or an order issued under section 812), by filing in the court of appeals of the United States for the circuit in which the home office of the association is located, or in the United States Court of Appeals for the District of Columbia Circuit, within thirty days after the date of service of such order, a written petition praying that the order of the Board be modified, terminated, or set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Board, and thereupon the Board shall file in the court the record in the proceeding, as provided in section 2112 of title 28 of the United States Code. Upon the filing of such petition, such court shall have jurisdiction, which upon the filing of the record shall except as provided in the last sentence of section 818 be inclusive, to affirm, modify, terminate, or set aside, in whole or in part, the order of the Board. Review of such proceedings shall be had as provided in chapter 7 of title 5 of the United States Code. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in section 1254 of title 28 of the United States Code.

§ 820. Orders of Board stayed only by express order of court

The commencement of proceedings for judicial review under section 819 shall not unless specifically ordered by the court, operate as a stay of any order issued by the Board.

§ 821. Judicial enforcement

The Board may in its discretion apply to the United States district court, or the United States court of any territory, within the jurisdiction of which the home office of the association is located, for the enforcement of any effective and outstanding notice or order issued by the Board under this chapter, and such courts shall have jurisdiction and power to order and require compliance therewith, but except as otherwise provided in this subsection no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice or order under this subsection, or to review, modify, suspend, terminate, or set aside any such notice or order. Any court having jurisdiction of any proceeding instituted under this chapter by an association or a director or officer thereof, may allow to any such party such reasonable expenses and attorneys' fees as it deems just and proper, and such expenses and fees shall be paid by the association or from its assets.

§ 822. Ancillary provisions

In the course of or in connection with any proceeding under this chapter, the Board or any member thereof or a designated representative of the Board, including any person designated to conduct any hearing under this chapter, shall have power to administer oaths and affirmations, to take or cause to be taken depositions, to and to issue, revoke, quash, or modify subpenas and subpenas duces tecum; and the Board is empowered to make rules and regulations with respect to any such proceedings. The attendance of witnesses and the production of documents provided for in this section may be required from any place in any State or in any territory at any designated place where such proceeding is being conducted. Any party to proceedings under this chapter may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district or the United States court in any territory in which such proceeding is being conducted, or where the witness resides or carries on business, for enforcement of any subpena or subpena duces tecum issued pursuant to this section, and such courts shall have jurisdiction and power to order and require compliance therewith. Witnesses subpenaed under this section shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States. All expenses of the Board or of the Federal Savings Insurance Corporation in connection with this chapter shall be considered as nonadministrative expenses.

§ 823. Methods of service

Any service required or authorized to be made by the Board under this chapter may be made by registered mail, or in such other manner reasonably calculated to give actual notice as the Board may by regulation or otherwise provide.

§ 824. Criminal penalties

Any director or officer, or former director or officer, of an association, or any other person, against whom there is outstanding and effective any notice or order (which is an order which has become final) served upon such director, officer, or other person under section 809, 810, or 812, and who—

(1) participates in any manner in the conduct of the affairs of such association, or directly or indirectly solicits or procures, or transfers or attempts to transfer, or votes or attemps to vote any proxies, consents, or authorizations in respect to any voting rights in such association, or

(2) without the prior written approval of the Board, votes for a director or serves or acts as a director, officer, or employee of any institution the accounts of which are insured by the Federal Savings Insurance Corporation,

shall upon conviction be fined not more than $5,000 or imprisoned for not more than one year, or both.

§ 825. Criminal penalty for refusal to turn over property

Whenever a conservator or receiver appointed by the Board demands possession of the property, business, and assets of any association, or of any part thereof, the refusal by any director, officer, employee, or agent of such association to comply with the demand shall be punishable by a fine of not more than $5,000 or imprisonment for not more than one year, or both.

§ 826. Definitions

As used in this subsection—

(1) The terms "cease-and-desist order which has become final" and "order which has become final" mean a cease-and-desist order or an order, issued by the Board with the consent of the association or the director or officer or other person concerned, or with respect to which no petition for review of the action of the Board has been filed and perfected in a court of appeals as specified in section 819, or with respect to which the action of the court in which said petition is so filed is not subject to further review by the Supreme Court of the United States in proceedings provided for in that section, or an order issued, under section 812.

(2) The term "State" includes the Commonwealth of Puerto Rico.

(3) The term "territory" includes any possession of the United States and any place subject to the jurisdiction of the United States.

(4) The terms "district", "district court", "district court of the United States", and "judicial district" shall have the meanings defined in section 451 of title 28 of the United States Code.

TITLE II

SEC. 2001. The Federal Savings and Loan Insurance Corporation is redesignated as the Federal Savings Insurance Corporation, and all other provisions of Federal law expressly referring to the Federal Savings and Loan Insurance Corporation are amended by changing that name to read "Federal Savings Insurance Corporation".

SEC. 2002. Title IV of the National Housing Act is amended by adding at the end the following new section:

"SEC. 410. (a) Except with the prior written approval of the Corporation, no insured institution shall—

"(1) merge or consolidate with any other institution;

"(2) assume liability to pay any deposits, share accounts, or similar liabilities of any other institution;

"(3) transfer assets to any other institution in consideration of the assumption of liabilities for any portion of the deposits, share accounts, or similar liabilities of such insured institution.

"(b) Notice of any proposed transaction for which approval is required under subsection (a) (referred to hereafter in this section as a 'merger transaction') shall, unless the Corporation finds that it must act immediately in order to prevent the probable failure of one of the institutions involved, be published—

"(1) prior to the granting of approval of such transaction,

"(2) in a form approved by the Corporation,

"(3) at appropriate intervals during a period at least as long as the period allowed for furnishing a report under subsection (c) of this section, and

"(4) in a newspaper of general circulation in the community or communities where the main offices of the institutions involved are located, or, if there is no such newspaper in any such community, then in the newspaper of general circulation published nearest thereto.

"(c) In the interests of uniform standards, before acting on any application for approval of a merger transaction, the Corporation, unless it finds that it must act immediately in order to prevent the probable failure of one of the institutions involved, shall request a report on the competitive factors involved from the Attorney General. The report shall be furnished within thirty calendar days of the date on which it is requested, or within ten calendar days of such date if the Corporation advises the Attorney General that an emergency exists requiring expeditious action.

"(d) The Corporation shall not approve—

"(A) any proposed merger transaction which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of thrift institutions in any part of the United States, or

"(B) any other proposed merger transaction whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless it finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

In every case, the Corporation shall take into consideration the financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served.

"(e) The Corporation shall immediately notify the Attorney General of any approval by it pursuant to this subsection of a proposed merger transaction. If the Corporation has found that it must act immediately to prevent the probable failure of one of the institutions involved and the report on the competitive factors has been dispensed with, the transaction may be consummated immediately upon approval by the Corporation. If the Corporation has advised the Attorney General of the existence of an emergency requiring expeditious action and has requested the report on the competitive factors within ten days, the transaction may not be consummated before the fifth calendar day after the date of approval by the Corporation. In all other cases, the transaction may not be consummated before the thirtieth calendar day after the date of approval by the Corporation.

"(f)(1) Any action brought under the antitrust laws arising out of a merger transaction shall be commenced prior to the earliest time under subsection (e) at which a merger transaction approved under subsection (d) might be consummated. The commencement of such an action shall stay the effectiveness of the Corporation's approval unless the court shall otherwise specifically order. In any such action, the court shall review de novo the issues presented.

"(2) In any judicial proceeding attacking a merger transaction approved under subsection (d) on the ground that the merger transaction alone and of itself constituted a violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2), the standards applied by the court shall be identical with those that the Corporation is directed to apply under subsection (d).

"(3) Upon the consummation of a merger transaction in compliance with this section and after the termination of any antitrust litigation commenced within the period prescribed in this subsection, or upon the termination of such period if no such litigation is commenced therein, the transaction may not thereafter be attacked in any judicial proceeding on the ground that it alone and of itself constituted a violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2), but nothing in this section shall exempt any institution resulting from a merger transaction from complying with the antitrust laws after the consummation of such transaction.

"(4) In any action brought under the antitrust laws arising out of a merger transaction approved by the Corporation pursuant to this section, the Corporation, and any State banking supervisory agency having jurisdiction within the State involved, may appear as a party of its own motion and as of right, and be represented by its counsel.

"(g) For the purposes of this section, the term 'antitrust laws' means the Act of July 2, 1890 (the Sherman Antitrust Act, 15 U.S.C. 1–7), the Act of October 15, 1914 (the Clayton Act, 15 U.S.C. 12–27), and any other Acts in pari materia.

"(h) The Corporation shall include in its annual report to the Congress a description of each merger transaction approved by it during the period covered by the report, along with the following information:

"(1) the name and total resources of each institution involved;

"(2) whether a report was submitted by the Attorney General under paragraph (4), and, if so, a summary by the Attorney General of the substance of such report; and

"(3) a statement by the Corporation of the basis for its approval."

SEC. 2003. (a) Whenever a financial institution which is insured by one insuring corporation (referred to in this subsection as the former insurer) becomes insured by the other insuring corporation (referred to in this subsection as the latter insurer) without any intervening period during which it is insured by neither insuring corporation—

(1) on the date (referred to in this section as the date of change) on which the institution becomes insured by the latter insurer, it shall cease to be insured insofar as the former insurer is concerned;

(2) the obligations to and rights of the former insurer, depositors and account holders of the institution, the institution itself, and other persons arising out of any claim made prior to the date of change remain unimpaired;

(3) all claims not made prior to the date of change but which would have been properly payable by the former insurer if made prior to that date shall be assumed by the latter insurer; and

(4) as soon as possible after the date of change, the former insurer shall pay to the latter insurer the amount determined in accordance with subsection (b) of this section.

(b) The amount payable by a former insurer to the latter insurer pursuant to subsection (a)(4) is the net charges for insurance paid by the financial institution to the former insurer during the applicable surplus accumulation period less the financial institution's pro rata share of the former insurer's expenses and losses, as determined pursuant to subsection (c).

(c) A financial institution's pro rata share of its former insurer's expenses and losses is—

(A) the sum of all costs, expenses, and insurance losses incurred by the former insurer during the applicable surplus accumulation period

multiplied by—

(B) the average withdrawable funds of the institution during the applicable surplus accumulation period

divided by—

(C) the average of total deposits of all financial institutions insured by the former insurer during the same period.

(d) For the purposes of this section—

(1) The term "financial institution" means either an insured bank as defined in section 3 of the Federal Deposit Insurance Act or an insured institution as defined in section 401 of the National Housing Act.

(2) The term "insuring corporation" means either the Federal Deposit Insurance Corporation or the Federal Savings Insurance Corporation.

(3) The meaning of the term "becomes insured" includes the case of a financial institution which is insured by one insuring corporation merging with, selling all or substantially all of its assets to, or consolidating into, any financial institution which is insured by the other insuring corporation.

(4) In the case of any change of insuring corporations such as is described in subsection (a) of this section, the applicable surplus accumulation period is the period commencing on the most recent date on which the institution in question became insured by the former insuring corporation, and ending at the end of that corporation's fiscal year immediately preceding that corporation's fiscal year within which the date of change falls.

(e) The Secretary of the Treasury is authorized to define any term used in this section and to prescribe the manner in which any calculation or determniation under this section is to be carried out.

SEC. 2004. (a) Section 403(a) of the National Housing Act (12 U.S.C. 1726(a)) is amended to read:

"SEC. 403. (a)(1) The Corporation shall insure the accounts and deposits of all Federal savings and loan associations and of all Federal savings associations.

"(2) The Corporation may insure the accounts and deposits of mutual savings banks not eligible to make application to become

insured banks of the Federal Deposit Insurance Corporation, building and loan, savings and loan, and homestead associations, and cooperative banks chartered or organized under the laws of a State, District, territory, or possession."

(b) The first sentence of section 403(b) of the National Housing Act (12 U.S.C. 1726(b)) is amended to read: "Application for such insurance shall be made immediately by each institution referred to in subsection (a)(1) of this section, and may be made at any time by any institution referred to in subsection (a)(2) of this section."

SEC. 2005. (a) Section 406(a)(2) of the National Housing Act (12 U.S.C. 1729(a)(2)) is amended by striking "and loan".

(b) Section 406(b) of the National Housing Act is amended—

(1) by inserting, immediately after "Federal savings and loan associations" the first place it appears therein, "or Federal savings association"; and

(2) by striking, in clause (4) thereof, "and loan".

(c) The first sentence of section 406(c) of the National Housing Act is amended by inserting "or a Federal savings association" immediately after "a Federal savings and loan association".

SEC. 2006. Section 407(a) of the National Housing Act (12 U.S.C. 1730(a)) is amended by changing "other than a Federal savings and loan association" to read "referred to in section 403(a)(2) of this title".

SEC. 2007. The first sentence of section 5 of the Federal Deposit Insurance Act (12 U.S.C. 1815) is amended by changing "and any State nonmember bank," to read ", any State-chartered mutual savings bank which is a successor of a mutual savings bank which was an insured bank on the date of enactment of the Federal Savings Institutions Act, and any other State nonmember bank except a mutual savings bank which was not an insured bank on the date of enactment of the Federal Savings Institutions Act,".

SEC. 2008. (a) The sixteenth paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 333) is repealed.

(b) Section 19(i) of the Federal Reserve Act (12 U.S.C. 371a) is amended by striking "or by a mutual savings bank,".

SEC. 2009. Section 602(d)(11) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 474(11)) is amended by inserting "deposits or" immediately before "savings and loan accounts".

SEC. 2010. Section 5(d)(14) of the Home Owners' Loan Act of 1933 is amended by inserting after "institution" where it first appears "(except a Federal savings association)".

SEC. 2011. (a) Chapter 41 of title 18 of the United States Code is amended by adding at the end the following new section:

"§ 878. Defamation of institutions

"Whoever willfully and knowingly makes, issues, circulates, transmits, or causes or knowingly permits to be made, issued, circulated, or transmitted, any statement or rumor, written, printed, reproduced in any manner, or by word of mouth, which is untrue in fact and is directly or by inference false, malicious in that it is calculated to injure reputation or business, or derogatory to the reputation, financial condition, or standing of any Federal savings association, Federal savings and loan association, Federal Home Loan Bank, the Federal Home Loan Bank Board, the Federal Savings Insurance Corporation or any institution the accounts of which are insured by the Federal Savings Insurance Corporation, shall be fined not more than $1,000 or imprisoned for not more than one year, or both."

(b) The table of sections at the beginning of that chapter is amended by adding

"878. Defamation of institutions."

SEC. 2012. (a) Section 212 of title 18 of the United States Code is amended to read as follows:

"§ 212. Offer of loan or gratuity to bank examiner

"Whoever, being an officer, director, or employee of a bank which is a member of the Federal Reserve System or the deposits of which are insured by the Federal Deposit Insurance Corporation, or of any member of any Federal home loan bank or any institution the accounts of which are insured by the Federal Savings Insurance Corporation, or of any land bank, Federal land bank association, or other institution subject to examination by a farm credit examiner, or of any small business investment company, makes or grants any loan or gratuity, to any examiner or assistant examiner who examines or has authority to examine such bank, corporation, member, or institution, shall be fined not more than $5,000 or imprisoned not more than one year, or both; and may be fined a further sum equal to the money so loaned or gratuity given.

"The provisions of this section and section 213 of this title shall apply to all public examiners and assistant examiners who examine member banks of the Federal Reserve System or insured banks, or members of any Federal home loan bank or insured institutions, whether appointed by the Comptroller of the Currency, by the Board of Governors of the Federal Reserve System, or by a Federal Reserve agent, or by a Federal Reserve bank, or by the Federal Deposit Insurance Corporation, or by the Federal Home Loan Bank Board, or by the Federal Savings Insurance Corporation, or by any Federal home loan bank, or appointed or elected under the laws of any State; but shall not apply to private examiners or assistant examiners employed only by a clearinghouse association, or by the directors of a bank, corporation, member, or insured institution.

"Nothing contained in this section or section 213 of this title shall prohibit (1) any such officer, director, or employee from making, or an examiner or assistant examiner from accepting, from any such bank, corporation, member, institution, association, or organization, a loan in an amount not exceeding $30,000 which is secured by a first lien on a home owned and occupied or to be owned and occupied by such examiner or assistant examiner, or (2) any officer, director, or employee of any national banking association or State bank which is a member of the Federal Reserve System from making, or any examiner or assistant examiner of the Federal Deposit Insurance Corporation from accepting, a loan from any such bank under regulations adopted by the Corporation but no examiner or assistant examiner to whom such a loan is made shall, as long as the loan remains outstanding, participate in any examination of the institution by which the loan was made."

SEC. 2013. Section 213 of title 18 of the United States Code is amended to read as follows:

"§ 213. Acceptance of loan or gratuity by bank examiner

"Whoever, being an examiner or assistant examiner of member banks of the Federal Reserve System or banks the deposits of which are insured by the Federal Deposit Insurance Corporation, or members of any Federal home loan bank or institutions the accounts of which are insured by the Federal Savings Insurance Corporation, or a farm credit examiner, or an examiner of small business investment companies, accepts a loan or gratuity from any bank, corporation, member, institution, association, or organization examined by him or from any person connected therewith, shall be fined not more than $5,000 or imprisoned not more than one year, or both; and may be fined a further sum equal to the money so loaned or gratuity given, and shall be disqualified from holding office as such examiner."

SEC. 2014. (a) Section 214 of title 18 of the United States Code is amended to read as follows:

"§ 214. Offer for procurement of certain loans or discounts

"Whoever stipulates for or gives or receives, or consents or agrees to give or receive, any fee, commission, bonus, or thing of value for procuring or endeavoring to procure from any Federal Reserve bank, or any Federal home loan bank, any advance, loan, or extension of credit or discount or purchase of any obligation or commitment with respect thereto, either directly from such Federal Reserve bank or Federal home loan bank, or indirectly through any financing institution, unless such fee, commission, bonus, or thing of value and all material facts with respect to the arrangement or understanding therefor shall be disclosed in writing in the application or request for such advance, loan, extension of credit, discount, purchase, or commitment, shall be fined not more than $5,000 or imprisoned not more than one year, or both."

(b) The table of sections at the beginning of chapter 11 of title 18 of the United States Code is amended by changing "Offer for procurement of Federal Reserve bank loan and discount of commercial paper" to read "Offer for procurement of certain loans or discounts".

SEC. 2015. Section 215 of title 18 of the United States Code is amended to read as follows:

"§ 215. Receipt of commissions or gifts for procuring loans

"Whoever, being an officer, director, employee, agent, or attorney of any bank, the deposits of which are insured by the Federal Deposit Insurance Corporation, or of a Federal intermediate credit bank, or of any member of a Federal home loan bank, or of any institution the accounts of which are insured by the Federal Savings Insurance Corporation, except as provided by law, stipulates for or receives or consents or agrees to receive any fee, commission, gift, or thing of value, from any person, firm, or corporation, for procuring or endeavoring to procure for such person, firm, or corporation, or for any other person, firm, or corporation, from any such bank, corporation, member, or institution, any loan or extension or renewal of loan or substitution of security, or the purchase or discount or acceptance of any paper, note, draft, check, or bill of exchange by any such bank, corporation, member, or institution, shall be fined not more than $5,000 or imprisoned not more than one year, or both."

SEC. 2016. Section 655 of title 18 of the United States Code is amended to read as follows:

"§ 655. Theft by bank examiner

"Whoever, being a bank examiner or assistant examiner, steals, or unlawfully takes, or unlawfully conceals any money, note, draft, bond, or security or any other property of value in the possession of any bank or banking institution which is a member of the Federal Reserve System or which is insured by the Federal Deposit Insurance Corporation, or of any member of any Federal home loan bank, or of any institution the accounts of which are insured by the Federal Savings Insurance Corporation, or from any safe deposit box in or adjacent to the premises of such bank, member, or institution, shall be fined not more than $5,000 or imprisoned not more than five years, or both; but if the amount taken or concealed does not exceed $100, he shall be fined not more than $1,000 or imprisoned not more than one year, or both; and shall be disqualified from holding office as a national bank examiner, Federal Deposit Insurance Corporation examiner, or Federal Home Loan Bank Board examiner, or as an examiner of any such member or institution.

"This section shall apply to all public examiners and assistant examiners who examine member banks of the Federal Reserve

System or banks the deposits of which are insured by the Federal Deposit Insurance Corporation, or members of any Federal home loan bank or institutions the accounts of which are insured by the Federal Savings Insurance Corporation, whether appointed by the Comptroller of the Currency, by the Board of Governors of the Federal Reserve System, by a Federal Reserve agent, by a Federal Reserve bank, or by the Federal Deposit Insurance Corporation, or by the Federal Home Loan Bank Board, or by the Federal Savings Insurance Corporation, or by any Federal home loan bank, or appointed or elected under the laws of any State; but shall not apply to private examiners or assistant examiners employed only by a clearinghouse association, or by the directors of a bank, member, or insured institution."

SEC. 2017. Section 657 of title 18 of the United States Code is amended to read as follows:

"§ 657. Lending, credit, and insurance institutions

"Whoever, being an officer, director, agent, or employee of or connected in any capacity with the Federal Home Loan Bank Board, the Federal Savings Insurance Corporation, any Federal home loan bank, the Federal Deposit Insurance Corporation, the Farm Credit Administration, the Federal Housing Administration, the Federal Crop Insurance Corporation, the Secretary of Agriculture, acting through the Farmers' Home Administration, or any land bank, intermediate credit bank, bank for cooperatives, or any lending, mortgage, insurance, credit, or savings and loan corporation or association authorized or acting under the laws of the United States, or any member of any Federal home loan bank or any institution the accounts of which are insured by the Federal Savings Insurance Corporation, or any small business investment company, and whoever, being a receiver of any such institution, or agent or employee of the receiver, embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, credits, securities, or other things of value belonging to any such agency, bank, corporation, association, member, or institution, or pledged or otherwise entrusted to its care, shall be fined not more than $5,000 or imprisoned not more than five years, or both; but if the amount or value embezzled, abstracted, purloined, or misapplied does not exceed $100, he shall be fined not more than $1,000 or imprisoned not more than one year, or both."

SEC. 2018. (a) Section 1006 of title 18 of the United States Code is amended to read as follows:

"§ 1006. Federal credit institution entries, reports, and transactions

"Whoever, being an officer, director, agent, or employee of or connected in any capacity with the Federal Home Loan Bank Board, the Federal Savings Insurance Corporation, any Federal home loan bank, the Federal Deposit Insurance Corporation, the Farm Credit Administration, the Federal Housing Administration, the Federal Crop Insurance Corporation, the Secretary of Agriculture acting through the Farmers' Home Administration, or any land bank, intermediate credit bank, bank for cooperatives, or any lending, mortgage, insurance, credit, or savings and loan corporation or association authorized or acting under the laws of the United States, or any member of any Federal home loan bank or any institution the account of which are insured by the Federal Savings Insurance Corporation, or any small business investment company, with intent to defraud any such institution or any other company, body politic or corporate, or any individual, or to deceive any officer, auditor, examiner, or agent of any such institution or of any department or agency of the United States, makes any false entry in any book, report, or statement of or to any such institution, or without being duly authorized, draws any order or bill of exchange, makes any acceptance, or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree, or, with intent to defraud the United States or any agency thereof, or any bank, corporation, member, institution, or association referred to in this section, participates or shares in or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission, contract, or any other act of any such agency, bank, corporation, member, institution, or association, shall be fined not more than $10,000 or imprisoned not more than five years, or both."

(b) Section 1014 of title 18 of the United States Code is amended by striking out "a Federal Savings and Loan Association" and inserting in lieu thereof "any institution whose deposits or accounts are insured by the Federal Deposit Insurance Corporation or the Federal Savings Insurance Corporation".

SEC. 2019. Section 1906 of title 18 of the United States Code is amended to read as follows:

"§ 1906. Disclosure of information by bank examiner

"Whoever, being an examiner, public or private, discloses the names of borrowers or the collateral for loans of any member bank of the Federal Reserve System, or bank insured by the Federal Deposit Insurance Corporation, or of any member of any Federal home loan bank or any institution the accounts of which are insured by the Federal Savings Insurance Corporation, examined by him, to other than the proper officers of such bank, member, or institution, without first having obtained the express permission in writing from the Comptroller of the Currency as to a national bank or a district bank, the Board of Governors of the Federal Reserve System as to a State member bank, the Federal Deposit Insurance Corporation as to any other insured bank, or the Federal Home Loan Bank Board as to any member of any Federal home loan bank, other than those the deposits of which are insured in accordance with the provisions of the Federal Deposit Insurance Act, or as to any institution the accounts of which are insured by the Federal Savings Insurance Corporation, or from the board of directors of such bank, member, or institution, except when ordered to do so by a court of competent jurisdiction, or by direction of the Congress of the United States, or either House thereof, or any committee of Congress or either House duly authorized, shall be fined not more than $5,000 or imprisoned not more than one year, or both."

SEC. 2020. Section 1909 of title 18 of the United States Code is amended to read as follows:

"§ 1909. Examiner performing other services

"Whoever, being a national bank examiner, Federal Deposit Insurance Corporation examiner, farm credit examiner, or an examiner or assistant examiner of members of any Federal home loan bank or institutions the accounts of which are insured by the Federal Savings Insurance Corporation, performs any other service, for compensation, for any bank or banking or loan association, or for any such member or institution, or for any building and loan association, savings and loan association, homestead association, or cooperative bank, or for any officer, director, or employee thereof, or for any person connected therewith in any capacity, shall be fined not more than $5,000 or imprisoned not more than one year, or both."

SEC. 2021. The Home Owners' Loan Act of 1933 is amended by adding at the end thereof the following new section:

"SEC. 101. (a) The Board shall issue regulations, whose effective date is not later than the last day of the one-year period which begins on the day following the date of enactment of the Federal Savings Institutions Act, in accordance with its authority under that Act before issuing any charters under that Act.

"(b) On and after the effective date of the regulations referred to in subsection (a) of this section—

"(1) no Federal savings and loan association may be incorporated by the Board;

"(2) no Federal savings and loan association may be converted into any other institution except under the Federal Savings Institutions Act or the last sentence of section 5(i) of this Act; and

"(3) no institution may be converted into a Federal savings and loan association."

THE LATE HONORABLE JOHN E. FOGARTY

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. TIERNAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. TIERNAN. Mr. Speaker, a few weeks ago, it was my distinct honor and privilege to attend a dedication ceremony in memory of our late friend and colleague, John Edward Fogarty. John was a member of the Navy's Construction Battalion during the last World War, and on September 23 at Davisville, R.I., one of the Seabees' training centers was renamed Camp Fogarty.

Two of John Fogarty's best friends in this House were special guests at this dedication ceremony, the gentleman from Florida, the Honorable ROBERT SIKES, and the gentleman from Ohio, the Honorable MICHAEL KIRWAN. Representative SIKES, who first suggested that such a center be named in memory of our late friend and colleague, was the principal speaker.

Mr. Speaker, it is my pleasure to insert in the RECORD, Representative SIKES' poignant and fitting tribute in memory of the late John E. Fogarty:

DEDICATION OF CAMP FOGARTY

(Exercises naming the Seabee Combat Training Camp, Davisville, R.I., for the late Honorable John E. Fogarty)

It is entirely fitting that during this year which marks the twenty-fifth anniversary of the Seabees, a Rhode Island Seabee installation should be named in honor of the memory of Rhode Island's best known and best liked Seabee veteran, the late United States Representative John E. Fogarty. His mortal remains are buried in St. Ann's Cemetery, Cranston, and it's here in Rhode Island that the memory of this great man remains freshest, the gratitude for all he did is deepest, and that pride in the distinguished career of a man who started out in life as a bricklayer is strongest.

As Chairman of the Military Construction Subcommittee, the Committee on Appropriations, it was my privilege to suggest that this installation be named in honor of John Fogarty's memory. I am pleased indeed that the Navy promptly agreed. Admiral A. C. Husband, Commander of the Naval Facilities Engineering Command, expressed the Navy Department's enthusiasm for the ceremony in which we participate today and I am privileged that we can be together on this occasion to pay tribute to a man who was always embarrassed by praise, who avoided publicity, and who did his job as a Congressman

with utter sincerity and with complete dedication—just as do the Seabees.

The biography that appeared for so many years in the *Congressional Directory* under his name was imposing in its simplicity and dignity. It read merely: "John Edward Fogarty, Democrat, of Harmony, Rhode Island, elected in 1940; reelected to succeeding Congresses."

His public papers have been donated through the generosity of his beloved wife, Luise, to Providence College. They constitute a complete record of his great work in the legislative fields of public health and other medical and social problems. A biography of John Fogarty based on these papers would be a contribution to the people's understanding of the problems of government in our time. He gained his understanding of those problems as a bricklayer who began his apprenticeship in January of 1932 during the worst of the great depression, who became a journeyman member of Local 1 of his union in May of 1938, who became president of his local, who was elected to the Congress of the United States in 1940, and who left Congress in time of war to serve his country in a different way in the Seabees.

He was very proud of his union membership; he was very proud of his Catholic faith; he was very proud of his Seabee service, and he was very proud of the position of trust which was his as a Member of Congress. When he died, his family, his Church, his union, and the Congress were all grief-stricken, because they knew quite well the kind of man they had lost.

The Eminent Cardinal Cushing said at the time: "It is significant to me that the Honorable John Fogarty died suddenly of a heart attack. For years, his heart, which was as big as himself, overflowed with love for the poor and the helpless. When it came to legislation pertaining to the physical and mental health of the citizens of this country, he was always in the forefront advocating in his very effective way, Federal aid in behalf of these and other forgotten souls."

The range and quality of John E. Fogarty's public service were demonstrated by the fact that not only the newspapers of his beloved Rhode Island eulogized him and his achievements, but also such nationally known publications as the weekly journal of the American Association for the Advancement of Science and the *New York Times*.

The weekly magazine *Science* said of him: "He helped create the phenomenal budgetary growth of the National Institutes of Health from $46 million in 1950 to the current sum of over $1.2 billion. . . . It is not exaggeration to say that for the past 15 years he was politically the single most important person in medical research in the United States."

Dr. Howard A. Rusk, the medical columnist of the *New York Times* wrote: "Medicare, Medicaid, more nursing home beds, Federal aid for the training of physicians and other health workers, the clinical center of the National Institutes of Health, workshops and classrooms for the mentally retarded, and all of the other tremendous advances in health and rehabilitation in the last quarter century stand as monuments to John E. Fogarty, 'Mr. Public Health.'"

It was indeed true that he worked with unremitting zeal for the appropriations that were to make the public health programs of the United States second to none in the world.

He was born on March 23, 1913. Formal education ended for him when he was graduated from high school. Becoming a bricklayer, he was only twenty-three when elected to the first of his terms as president of Bricklayers Union Local One of Rhode Island. He was twenty-seven when first elected to the House of Representatives, one of the youngest members of the House.

During World War II, he enlisted in the Navy's Construction Corps, known everywhere as the Seabees. He had been a member of the House Committee on Naval Affairs, he wanted to experience at first hand the problems of Navy enlisted men. When he returned to the House of Representatives in 1945, he said that he wanted to make himself "the enlisted man's legman." Shortly afterwards he became a member of the Committee on Appropriations, one of the big three in the House. It was then that he was assigned to membership on the subcommittee dealing with appropriations for labor, health, education, and welfare. He mastered the complexities of that subcommittee's responsibilities and became its able and hard-driving chairman in 1949.

He was honored time and time again for outstanding legislative achievements. He received the Distinguished Service Award of the American Cancer Society in 1952. He received the first award granted by the National Association for Retarded Children in 1956, the National Distinguished Service Medal of *Parents' Magazine*, and the National Rehabilitation Association's annual award. In 1959, he was given a special Lasker Award for "extraordinary public service" by the American Public Health Association, an award usually given only to members of the medical profession.

Rich in honors, blessed with the profound admiration and affection of his colleagues and constituents, he died on the opening day of the 90th Congress. Despite their sorrow at his passing, the members of his bereaved family must feel a very deep and justifiable pride in the record of good works which this great man left to them as a legacy which can never die. This feeling, all of us can share.

With his death, we lost a dear friend, a respected colleague, and a great American. His tremendous efforts over the years won for him his justly deserved reputation as a major architect of the Federal government's program of medical research. In his characteristically modest way, he offered as an explanation of his acquisition of this knowledge the remark: "I live this thing all year round."

On the day of his death, the flags of hospitals, research laboratories, and medical facilities for the aged, the infirm, and the mentally retarded, figuratively or literally, were flown at half mast because they had lost a champion. As an eminent medical columnist wrote of him: "No one in the history of this country has done more to promote more and better health services, more and better health facilities, and more and better health research than Representative Fogarty."

His death came at the beginning of his fourteenth term, as he made plans to carry on during the 90th Congress his wide-ranging activities against mankind's great enemies, disease, disability, and death.

So, to me, it appears particularly fitting that the name of this man who was indeed a champion in the fight for the future of mankind be associated with a base which is part of an organization that has contributed so very greatly to the security of America and that of the free world.

1967 is the 25th anniversary year of the Seabees and the 100th anniversary of the Navy's Civil Engineering Corps.

The Navy's Seabees were less than 6 months old when their first unit came under fire early in World War II. Only 3 weeks after the Marines assaulted the beaches of Guadalcanal in August 1942, Seabees followed them ashore to begin the difficult task of airfield and other construction. Throughout the 3 month battle for Guadalcanal the Seabees performed construction miracles; at one time, continuing their work even when Japanese troops had pushed the Marine front line to within 150 feet of their activities. In all this, the Seabees had to be ready to take up positions in the defensive perimeter in the event of a Japanese landing against the narrow beachhead for fighting also is part of their job. The work of the Seabees on Guadalcanal was only the beginning. Working in close comradeship with the Marines and with other forces, they improvised and made do and accomplished the impossible in every area of the Pacific. I am told that they even made extra money during off-duty hours by manufacturing fake Japanese battle souvenirs and native jewelry for sale to gullible new forces in the theater. They probably are doing it in Vietnam too. More power to them.

By the summer of 1944, advancing U.S. Forces in the Pacific War against Japan had reached the Marianas (where John Fogarty served), 4,000 miles west of Hawaii and less than 2,000 miles from Japan itself. On July 21, they began the invasion of Guam, and only three days later the same Marines that had taken Saipan were swarming ashore on Tinian.

Even before the Marines had officially secured Tinian, Seabees began landing to work on their biggest single job of the entire war—constructing the world's largest air base for the Army Air Corps' B–29 "Superfortress" bombers that would soon begin carrying the war to the Japanese homeland.

One of the very largest jobs ever undertaken by the Navy's Seabees was the construction of a major base for the U.S. Seventh Fleet at Cubi Point, on Subic Bay in the Philippine Islands. Required to support the growing U.S. commitments in the Far East, the Cubi Point base was started at the height of the Korean War in 1951.

Working as many as three shifts a day, six days a week, the Seabees converted Cubi Point's jungle and mountains into a modern base for Seventh Fleet carriers.

An important new part of the Seabee tradition in recent years has been the several types of Seabee Teams, which have proven a valuable addition to U.S. programs aimed at strengthening the free world by helping the people of underdeveloped nations to help themselves.

Utilizing the construction skills of carefully selected men, Seabee Teams have been deployed to locations as widespread as Southeast Asia, South America and Africa, where their skills have been employed in a wide variety of "civic action" construction missions aimed at improving the living conditions of the people of other nations. There are now ten Seabee Teams in South Vietnam.

On the morning of May 7, 1965, in one of the biggest operations of its kind since the Korean War, members of Seabee Battalions MCB–10 landed at Chu Lai with the Marines.

One of the first jobs handed the Seabees when they hit the beach at Chu Lai was the construction of a tactical runway. In only 21 days, high performance Marine jets were flying strikes against the VC from this Seabee built airfield.

The large scale commitment of Seabees to the war in Vietnam has proven the value of the long, hard peacetime deployments and the continuing emphasis on training, mobility, and self-sufficiency characteristic of the Navy"s mobile construction battalions.

John Fogarty knew of the enormity of the tasks yet to be accomplished for the good of mankind and he gave of himself untiringly in the fight to overcome those tasks. So it has been with the Seabees, in peace and in war. The size of the job has never daunted them. Their accomplishments in Vietnam stand as the greatest military construction effort in history. That is the kind of people they are. All of this points to the fact that our nation is a strong one because it has dedicated leadership in many fields. This leadership comes from labor, management, professional personnel, the government employees, military personnel, elected officials, and just ordinary citizens who have the objective of a greater America. Our nation is strong because these groups and their leaders can work as a team for the good of the nation itself. America's leadership in the world today is evidence of the job that has been done.

Yet the fact remains that for our country,

there are many serious and unsolved problems. We are in a dirty, lonely, unhappy, unintentional kind of war with an insatiable greed for men, materials, and money. It is half-way around the world in a place where we had not prepared to fight, but where Americans, as is their wont, have fought heroically, worked tirelessly and performed magnificently. It is not a glamorous war and a lot of people want us to get out.

Chairman Mao says power grows out of the barrel of a gun. If this is the kind of world we live in, I want it to be American power out of American guns. America has and must continue to have a powerful defense team—effective, modern, invulnerable—for this is America's security today and tomorrow. Give us this, but guard it zealously and use it carefully as is America's wont. Then our diplomats will have time in which to work and their words will be heeded—and God grant that they can do as well as those in uniform who fight on the field of battle.

And, while this is being done, let us remind ourselves—and the world—that America has not lost its unity or its purpose. Sometimes our objectives are not spelled out with the same detail that confusion and uncertainty are presented to us and the world. Sometimes the voices of those who counsel retreat receive greater play than those who say, "Whatever the cost, we will not haul down the American Flag." Sometimes the efforts of those who seek to build a greater America fail to achieve the prominence of those who lead marches and demonstrations, of the draft-card burners, and the protesting beatniks; and sometimes the world is confused by what it sees here.

We here today know the soul of America is reflected by the glory of its past and the greatness of its present and its dreams for the future of mankind. And we who have no problems in understanding the meaning of America or the significance of its mission know that there may always be unpleasant and unhappy tasks like Vietnam, but we do not fear them. We know that our commitments must go on for as long as it takes to assure the nations of the world that America's dedication to the preservation of freedom is not a part-time obligation. We know that the symbol and the actuality of America are worth all of our efforts. We just want to get on with the job—and get it done.

There is a word for all of this—a word to insure the future of America as we know it. That word is called patriotism. May the God of our fathers help each of us to know patriotism in its richest meaning and to teach it to those around us every day that we live. This is what John Fogarty believed and lived.

SMALL BUSINESS ADMINISTRATION FULFILLING ROLE CONGRESS INTENDED

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WHITE. Mr. Speaker, the Small Business Administration has made an impact on the economic growth of my city, El Paso, Tex. In this largest of our border cities, where the Rio Grande links the historic Mexican-American culture to the progressive flare of 20th century trade and industrialization, the Small Business Administration has made 16 loans to small business firms during the current fiscal year, in a total amount of $224,000. These loans have established an effective working relationship between the small business sector of our flourishing economy and the Federal Government.

This close affinity between business and government has enhanced the initiative, the prosperity, and the pride of the small businessmen of our great country. In the El Paso area, it has served in the past and continues to serve today as a healthy stimulant to business productivity. El Paso, the largest city on the United States side of our border, and its sister city, Ciudad Juarez, largest city on the Mexican side, have a combined population of some 700,000, and comprise a flourishing trade center between the United States and Mexico. With a combination of long-term loans and management assistance programs, the Small Business Administration has provided new opportunities for growth, new opportunities to alleviate poverty, and new opportunities to compete in today's space age society.

The Small Business Administration cites the Plaza Empire Shop in El Paso as indicative of the assistance given to struggling small businessmen. Established in 1964 as a partnership between David Ybanez and Angel Beltram, the Plaza Empire Shop was granted a guaranteed loan of $20,000 on September 9, 1965. As a result of this loan, the business, which specialized in gift items and electronic equipment, increased its capital accounts from $46,609 on December 31, 1964, to $97,600 on December 31, 1966. Approximately 80 percent of its sales are exported to Mexico—with 60 percent of them being shipped directly to Mexico City. Through SBA's invaluable assistance, the Plaza Empire Shop has thus become a large volume electronics equipment distributor.

Participation loans such as the one to the Plaza Empire Shop comprise but one type of the services available from the Small Business Administration. A new Small Business service, inaugurated just 3 years ago, is known as SCORE—Service Corps of Retired Executives. This service has put thousands of small enterprises on the road to success. Under this program, the Small Business Administration has enrolled more than 3,000 business and professional leaders in some 800 communities to provide guidance and management techniques to small business.

SCORE personnel encourage small businessmen to use their own initiative and imagination to capitalize on their basic advantage over big business—a more personalized customer relationship. These SCORE experts are volunteers who have long been involved in the small business world, and who know the importance of small business to the American free enterprise system. Their sound advice is proving helpful to several firms in my district today.

President Lyndon B. Johnson has shown a keen awareness and a continuing interest in the welfare of the small business community and its problems. In his proclamation of Small Business Week, May 1967, he renewed his strong support for the 4.8 million small businesses in the United States when he stated:

We must insure that they will continue to hold a vital place in our society.

Mr. Speaker, the Small Business Administration, under the capable direction of its Administrator, Robert C. Moot, and through its financial assistance and management guidance programs, is fulfilling the role which the Congress intended—the preservation and the fruitful productivity of the small business firms of America.

SECRETARY OF STATE RUSK MAKES CONVINCING STATEMENT ON VIETNAM

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. GALLAGHER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, I have very seldom heard so cogent and convincing a statement about U.S. policy in Vietnam as that of Secretary of State Rusk today. I should like to urge that all my colleagues carefully study it and reflect upon it.

I would particularly like those Members who have been most vocal on the question of Vietnam to consider this extraordinary description of our position by Secretary Rusk.

I have been concerned recently that some of the debate about Vietnam might be misunderstood in Hanoi. The aggressor may very well feel that this discussion within the American political context might somehow signify a lack of will on the part of the American people.

I trust that the other side, too, will reflect on what the Secretary said, and that Hanoi will realize that our national interest and our people's views are such that we will not shirk this difficult burden.

We do an injustice to our country and to our brave fighting men if we are to continue to reduce our noble purpose and our disagreement over means to any implication that we lack the will to persist. At times the debate in this country has suggested that we lack this will. I think it is time to elevate the dialog over our policy in Vietnam and to unite without regard to partisan politics.

My hope is that those who would deny what is best in our country and who make their alienation from current goals into personal vituperative criticism will consider the words of Secretary Rusk. I believe it is time for sober and serious discussion within the framework of traditional American values and not a time for voices of doubt sowing dissension and discord instead of responsible dissent.

HOMEOWNERSHIP—OUR NATIONAL GOAL

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. BARRETT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BARRETT. Mr. Speaker, high among the unquestionable values of the American way of life is the ideal of homeownership. The security and satisfaction which a home of your own brings provides a special reward over and above simply "housing." Not only does the individual family benefit from homeownership, but it has tremendous value for the community as a whole since ownership of a home gives a family a special stake in the community and special involvement in the life of the city and the neighborhood.

In recognition of these facts, a principal aim of the work of the Subcommittee on Housing of which I have the honor to be chairman, is to make homeownership as widely available as possible. The roots of this policy go far back in American history to the Homesteaders Acts and related legislation. Our first major housing agency was the Federal Housing Administration established in 1934. That agency made a major forward step in the financing of homeownership by encouraging the development of long-term amortized home mortgage loans. Of course at that time they were talking about 20 percent down, 20-year loans. We have come a long way since then so that FHA financing generally provides for 3 percent down on homes selling for up to $15,000 and usually provides 30-year financing and in some cases even longer.

Millions of American families have been able to buy homes which they could not otherwise finance because of the improvements brought about by FHA and later VA. However, we have found that in spite of this step, that there are still many deserving American families who cannot afford homeownership entirely on their own.

Today our drive is to find sound ways to enable more people to become homeowners by providing the necessary margin of financial assistance. An important breakthrough in this was the provision in the 1966 Housing Act which authorized 3-percent loans through the Government to homebuyers of limited income. This cuts the financing cost in half and it must be remembered that over the life of a loan at regular market interest rates, interest usually amounts to more than the cost of the house itself. This high financial hurdle has barred many prospective buyers from the market and the substantial reduction in interest charges can make a basic change in the pattern of homeownership.

At present, this 3-percent financing is still partly experimental in nature. However, because of the solid advantages of homeownership, both for the individual family and for the community, I have no doubt that this program will grow rapidly and that the subcommittee will solve any technical problems which may arise.

These 3-percent loans are made available to prospective homebuyers of modest income through neighborhood nonprofit corporations which agree to undertake certain responsibilities for stabilizing and improving the area. I am pleased to see that the people of Philadelphia, led by civic-minded citizens, have been quick to take advantage of this program. In a city such as ours which has made a national name for itself by its alertness to seek out every means to rebuild and rehabilitate, this is not surprising. I am confident that in years ahead many, many families who could not otherwise afford it will become homeowners because of this new program.

While homeownership occupies much of the time and work of the subcommittee, we are not slighting the need for more and better rental housing within the reach of modest income families. This is particularly important for young people and for the elderly who may not want large homes of their own. It is important as well for people who by their free choice prefer the mobility of renting. In addition, families of lowest incomes may need the aid of public housing and rent supplements while they get on their feet and raise their incomes to the point where they can afford homes of their own in the private market with only limited assistance and eventually entirely on their own.

Taken together these aids will help us to achieve a balanced housing supply to meet every need and every desire with growing emphasis on the goal of homeownership.

GEN. CASIMIR PULASKI

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DULSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DULSKI. Mr. Speaker, as we again honor the memory of Gen. Casimir Pulaski, we in these United States should rededicate ourselves to the struggle against every form of tyranny wherever it may rear its ugly head.

This courageous soldier and freedom fighter devoted his short life to the battle against political tyranny. At a young age he joined his countrymen in an effort to drive the Russians from Polish soil and to liberate Poland from foreign domination. They fought valiantly for several years only to lose, and Pulaski was forced to flee to Turkey.

In 1775, Pulaski was in Paris and there he learned of the colonists' fight for their independence. He seized the opportunity to again join in a struggle for liberation and volunteered his services without charge to help the colonists. He fought with distinction on their side until he was wounded in battle at Savannah on October 9, 1779.

Few men have fought more fiercely for freedom and did more to advance the cause of liberty and justice than General Pulaski. He, along with his fellow countryman, Kosciuszko, were among the best and ablest of the generals who served the young republic. We are indebted to them and to countless others who followed their illustrious example in successive struggles for freedom.

The first known Poles arrived on America's shores in 1608. Today there are millions of Americans of Polish descent. Loyal citizens, courageous and fearless fighters, they have served in every war in which our country has been involved. Hard-working, industrious, and gifted, they have made manifold and continuing contributions in the defense and progress of our great Nation in industry, in professions, and in the arts.

Since 1939, Poland has suffered deeply under both Nazi and Communist tyranny. Despite ruthless oppression, the Poles have not lost faith in the freedom to which Casimir Pulaski dedicated his life. We hope and pray that they will again enjoy the blessings of freedom and liberty in their homeland.

General Pulaski was a great Polish-American patriot who should be remembered not only on October 11 but forever in the hearts of all of us.

COLUMBUS DAY—A LEGAL NATIONAL HOLIDAY

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DULSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DULSKI. Mr. Speaker, I have sponsored a bill which would make October 12, Columbus Day, a legal national holiday.

Today marks the 475th anniversary of that day in 1492 when Christopher Columbus discovered the New World.

Our country has done little in recognition of this great explorer. I believe there was an exposition in 1892, a commemorative coin, a few statues or monuments, and little more.

Every civilization has honored its great men and marked its significant achievements by designating holidays in their memory. Here in America, the Federal Government recognizes several holidays of national importance including Washington's Birthday, Memorial Day, and Independence Day. But we have forgotten Columbus, the man whose genius and bravery made possible all which followed his discovery.

This is very unfortunate. In these days of great promise and great peril, we have many heroes, living and dead, whom we rightly honor. But the grandfather of them all is Columbus.

Columbus had a vision—a vision then considered ridiculous—that the world was round. He was laughed at by many people, but he persisted until he achieved his goal of finding the men and raising the money for his historic voyage. We here today owe our very existence to the trail Columbus blazed across the pages of history more than 450 years ago.

I am well aware of the controversy raging in the academic world over the identity of the real discoverer of America. Whether or not these claims are true, those who support these various theories miss an essential point. If any men did land here before Columbus, they left nothing on which to build. Their soli-

tary acts of courage faded quickly away into the mists of time.

The reason that Columbus should be honored as one of the towering figures in our history is that he was the first of a long line of leaders who came to the New World to build a new civilization. We have all benefited from the legacy Columbus left us.

Columbus laid a foundation for what has become a great and free Nation. We owe a lasting debt of gratitude to him for seeing what others before him failed to see.

In the final analysis, the true mark of a great man lies in the acceptance of his vision by the generations which follow him. A great man is a builder; and the greatest are those who lay solid foundations upon which others can build.

The time to give recognition to this great explorer and adventurer is long overdue, and Congress should not delay in declaring October 12 a national holiday.

COLUMBUS DAY

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. HOWARD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HOWARD. Mr. Speaker, today we honor the man who has been known through the centuries since his discovery of America as the Great Navigator. His achievement in sailing into the trackless Atlantic is perhaps charged with greater significance for us than it was for prior generations of Americans, for we face the vastness of outer space just as Columbus faced the vastness of an unchartered ocean. Indeed, our heroic voyagers of the empty reaches of space between the planets may need the courage and determination in conducting their explorations that Columbus demonstrated in his.

Another aspect of the Columbian voyages that has meaning for us today is that the varied ethnic pattern of the United States was foreshadowed in the polyglot nature of the discovery of America. Columbus was an Italian who used Portuguese charts to navigate the Spanish ships that he commanded.

Despite all obstacles, despite primitive navigational aids, Columbus found land and successfully returned to Spain. He achieved the most spectacular and most important geographical discovery in the history of the world. Perhaps reaching and exploring the other planets will mean that some day Columbus' triumph will be surpassed, but those who are to outdo him will have to possess his stubborn persistence despite discouragement, his indomitable skill, his faith in the Almighty, and his magnificent courage.

Those qualities have been shown in the United States by the countrymen of Columbus, the Americans of Italian descent. It is fitting on Columbus Day to pay tribute to their accomplishments in our free society.

In their early days in this country, Italian Americans performed the hardest kind of labor in industry and in the construction trades. Through their powers of will and unflinching determination, through their loyalty to each other and to their families, through their intelligence and unflagging aspiration, they have come to take their rightful place in the business and professional communities of the Nation. In the military service, too, their contributions have been remarkable. More than 845,000 men of Italian descent served in the Armed Forces of the United States during World War II, and thousands upon thousands have served in the Korean conflict and are serving today in Vietnam.

The great hero of Italian Americans, Columbus, was first and foremost a sailor. He was born and reared in Italy's Genoa, one of Europe's oldest seaports, and as a boy he made voyages in the Mediterranean where were bred in ancient times the world's greatest mariners.

In Lisbon, Portugal, the center of European oceanic enterprise, Columbus worked as a chartmaker by the time he was 24. Shortly afterward, he sailed on long voyages under the Portuguese flag. Then it was that he conceived the great adventure that only a sailor could have planned and executed, to reach eastern Asia, "the Indies," by sailing west.

Nothing could deter Columbus from the performance of his mission. Nothing can deter his Italian-American countrymen from the attainment of excellence in every walk of life in the United States. Columbus discovered America, and Italian Americans will ever be hard-working participants in its growth and vigilant defenders of its security.

A REALISTIC VIEW OF THE SOVIET ECONOMY: IMPLICATIONS FOR U.S. TRADE AND BUDGET POLICIES

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ASHLEY. Mr. Speaker, in recent days there has been considerable public debate on our trade and credit controls and on the effect on our national security of the export of American products and technology to the Soviet Union.

The question of budget priorities for our national research and development resources and their allocation among competing demands for space, defense, air and water pollution, transportation, and urban renewal programs has also been foremost in my mind and in the minds of many of my colleagues.

Because our trade relations with the Soviet Union and the allocation of our research and development resources are such salient issues at this time, I am calling to the attention of my colleagues an interview with Richard S. Morse, former Director of Army Research and Development in both the Eisenhower and Kennedy administrations. Dr. Morse has been a director of a number of technical enterprices, a president of one, and chairman of another. A physicist with a command of high vacuum technology, he is chairman of the Department of Commerce Technical Advisory Board's Panel on Electrically Powered Vehicles, cosponsored by nine Federal agencies, and he is senior lecturer at the Sloan School of Management, Massachusetts Institute of Technology.

The interview, which appeared in the August 14 issue of U.S. News & World Report, magazine of the distinguished spokesman of conservative opinion, David Lawrence, follows:

A BUSINESSMAN SIZES UP RUSSIA: INTERVIEW WITH A MANAGEMENT AUTHORITY

(NOTE.—What are the facts about Soviet industry—its strengths and weaknesses? Can this country learn from the Communists? More important—is the U.S. freezing itself out of a big market?)

(In this interview, Richard S. Morse, a prominent management expert who has just toured Russia, comes up with authoritative answers.)

Q. Dr. Morse, is Russia starting to free its system a little—in effect, heading toward capitalism to get the country moving?

A. There's no evidence of it, despite wishful thinking by some Americans. The Soviets did recently decide to adopt a so-called profit system. I think this was misunderstood because, in fact, their profit system is merely used as a gauge for production efficiency, not to permit individuals to profit or to use capital for profit.

Q. We get conflicting reports about Russia. Some insist its technically oriented industry is stagnant, with no real drive. Other reports say the Soviets are catching up with us. What did you find?

A. I was impressed, in terms of their relative progress. I think Americans have a tendency to believe that science and technology is a unique kind of animal over which we seem to have a monopoly.

The average American certainly did not believe that the Chinese could develop an atomic bomb. One cannot help but be impressed by the fact that the Japanese, whom we used to call "imitators," are now becoming innovators and are using science and technology to develop products—as evidenced by their auto and motorcycle industry, camera, radio and TV business, shipbuilding—and use modern management techniques in combination with science and technology.

This was an area where we always assumed we were preeminent. Other countries have good people, they have access to science and technology, and they are using it for their own good.

Q. Are you saying it is a very dangerous thing to underestimate the Russians?

A. It certainly is dangerous—this applies to Russia or any other country these days. We would be remiss if we did not assume that the Russians can eventually do anything that the United States can do, technically.

Q. Are the Russians at this moment competitive with the U.S. in technology?

A. Certainly not in general, and this varies with the field of endeavor.

In computers, for example, we are several years ahead both in the design and manufacture of computers and certainly to the extent to which we have introduced them into our management system. But the Russians are working extremely hard in this area. We found 400 people engaged in mathematical research relating to computer programing in one city in Siberia.

From an educational point of view I suspect they're doing a good planning job and potentially will have more trained technical people available than we in many fields. On the other hand, we now require fewer engineers in many fields because of our use of

advanced design methods and the use of computers and advanced instrumentation.

Q. Where is the Soviet emphasis now?

A. Housing is probably still their biggest problem, and living conditions are still very poor by our standards. The chemical industry represents a very important aspect of their current program. This is in plastics, fibers, agricultural chemicals. They also have a very large power expansion program, particularly in Siberia.

In the consumer field I found essentially no shortage of consumer goods anywhere, at least as evidenced in the stores. The quality leaves much to be desired, but there is now considerable emphasis on styling and sales promotion. Even in Eastern Siberia, we found television sets both plentiful and in use in the smallest villages.

Automobiles, of course, are very few in number. But they have now just completed negotiations for the erection of a plant in collaboration with Fiat of Italy. This will have a production capacity of 400,000 cars per year.

One of the top Russian Government officials stated—for what it may be worth that he would have preferred a deal with a U.S. auto manufacturer, but this was currently impossible because of our relations, and I am sure also because of our reluctance to give credit on terms comparable to those now being offered by European countries.

Q. Have U.S. restrictions on exports to Russia effectively slowed down the Russians' progress?

A. In certain limited areas, our past policy of export control may have slowed them down. I feel very strongly, looking back upon this policy, that we've been wrong. I think the United States, perhaps unknowingly, has now isolated itself from the rest of the world to a far greater extent than we have isolated Russia from us.

You can't stop the flow of technology. You may slow it, but you cannot stop it. In the long run, to some extent as a result of our prohibiting the export of certain technology, we have forced the Russians to develop their own technology. So they are now becoming independent.

At the same time, all the rest of the world is beating a path to Russia. I ran into many Japanese and European industrialists. These countries are developing trade relations with Russia; they are giving longer-term credits than we are willing to give. I think the United States has isolated itself far more than it realizes. I'm not speaking of military, classified information, though I think even there we're also probably kidding ourselves as to our ability to control the flow of technology, products and processes in this area.

Q. Are these other countries moving into a vacuum we created?

A. There is no question about it. The Italians are already building the automobile plant. Imperial Chemical Industries of England is developing a very large chemical complex, giving the Russians good modern technology. The Swedes and Finns have built a 1-million-ton-per-year pulp plant in Eastern Siberia—which we visited—with control instruments made by two American firms, Foxboro and Leeds & Northrop.

Q. What should we be doing?

A. The present stated policy of the United States is to encourage trade with the Russians. But I'm afraid that our current image, and reputation resulting from past actions, will make this more difficult. American industry and the public are not really sure of our true policy, so we are not making real progress.

In the future, if we are going to develop a working trade relationship with the U.S.S.R., we're going to have to play this street both ways, and from a practical economic viewpoint one might well ask: "What has the U.S.S.R. to sell to us?"

One example: The Russians are extremely annoyed—and I'm not sure I blame them—for the decision of the Department of the Interior to exclude their bid on large hydroelectric generators for the Grand Coulee Dam. This is one area in which they believe they have world pre-eminence and great experience. Their question is that if the U.S. really means to develop trade relations, why were they specifically excluded from selling to us?

Q. Exactly where did you visit on this trip?

A. My trip was originally initiated on the basis of an invitation from Dr. [Garmen M.] Gavishiani, who is the son-in-law of [Premier] Kosygin and Deputy Minister for Science and Technology in the U.S.S.R.

We were in Moscow twice, and went far east of the Ural Mountains to Irkutsk. We met there with industrial and academic groups and then flew north to Bratsk, near Lake Baikal, which is a newly created city with the largest hydroelectric plant in the world—4,000 megawatts of power, although it appeared to be operating at about half capacity.

We returned west via Novosibirsk, stopping at Omsk. We visited their so-called Science City, a totally new city of 38,000 people, created on the outskirts of Novosibirsk. I keep saying "we" because the group included Prof. William Pounds, dean of the Sloan School of Management at MIT, and my son Kenneth, a student at MIT.

Q. Were your activities restricted?

A. In Moscow, Leningrad and Irkutsk we were completely free to travel within the city—shop, go to the theaters, etc. Elsewhere, we had a definite feeling of complete restriction and our conversations with all industrialists and scientists were planned and limited by our "constant companion." He was an extremely competent, educated individual, a member of the party and undoubtedly directly connected with the Russian counter-intelligence organization.

Many of our impressions and information have obviously been influenced by our close and detailed discussions with this gentleman, who was intimately familiar with both the Russian and American systems and particularly their respective organizations for science and technology.

Q. Would you say you found a healthy economy throughout Russia?

A. A strange economy would be a better description. It cannot be compared to the United States because of various factors.

No one in Russia may own property; therefore, the concept of capital cost or return on investment is unknown as we would use it industrially. Rents for executives in the Government run from $6 to $16 a month. On the other hand, one can very easily spend $6 for a single meal in the evening—namely, one month's rent.

Jet fuel is sold within Russia at $3.50 a ton and aviation gasoline at $4.50 a ton. On the other hand, a white shirt costs $12. How can one equate this kind of economy to American standards? It's impossible.

Q. Does Russia's highly centralized control strike you as a big advantage, when it comes to production?

A. When you have a country as large as Russia, there is great danger in too much centralization of authority. But in the early stages of industrialization this was undoubtedly necessary. The Russians compare their progress with India's and very properly explain that they have taken action starting with a comparable situation—and they see no reason to help a country that has shown so little ability to solve its own problems. Admittedly, if you have the right man in each job such an organizational concept can be effective, but sooner or later more delegation will certainly be required.

Q. Did you find the Government still running everything?

A. This tends to be done in Russia far more than in any other country. Let me give you an example: They have established by edict a rule that only one computer "language" will be used throughout the entire U.S.S.R. Now, I will admit that this will save duplication of effort. But, conversely, suppose they pick the wrong "language"—and this is a rapidly changing kind of technology. They will have considerable difficulty in reconverting.

When you're in a changing environment such as we have today in the field of science and technology, it can be very dangerous to make didactic decisions of this type. I would far rather see the American system, where we tend to infuse competent people in each of our federal departments, each of whom is concerned with research and technology and will couple this with a particular requirement, whether it be urban renewal or pollution, safety or defense.

Q. Doesn't central direction give them a big advantage in fields such as urban development?

A. Perhaps it should, but, if you look at their construction program or their approach to city planning, it is very evident that either because of lack of direction, or lack of resources, they have failed to take advantage of many aspects of a centralized authority.

The city of Bratsk has 150,000 people. It has been literally built from nothing—unlimited land and power available. They've made no provision, in a real sense, for the automobile, which certainly will be present on the Russian scene in increasing quantities. The architecture leaves a great deal to be desired. The construction methods are not innovative, nor well engineered. Yet, I doubt that it would have cost a great deal more to have really used some new ideas, which in their society one can do by edict. In our society we must use the profit system to force innovating in housing, for example, and it's much more difficult.

Q. Are they running into air and water-pollution problems in the big cities?

A. In the sense that Russia is not as highly industrialized as the United States, they have not yet had to face some of the air-pollution problems with which we are so familiar. In the erection, for example, of the paper plant in Bratsk, there was no attempt made even to approach the water-pollution problem.

In the major industrial centers, such as Novosibirsk, the air-pollution problem is obviously there now, and in spite of the fact that they have, again, a highly centralized procedure where decisions could have been made, they did not face up to this problem.

The auto designs to be employed by Fiat in their proposed large auto-production facility will apparently not include antipollution devices, and yet this would be a great time to make such a decision. We failed to make early decisions on such a program and so now we have 90 million used cars without controls in use in America—a tough problem today.

On the other hand, in the city of Moscow, they have arbitrarily decreed recently that no intercity diesel buses will be allowed to operate because these impair the health and welfare of the people. This was done by edict.

TOP STATUS FOR SCIENTISTS

Q. With all the Soviet emphasis on pushing ahead with science and technology, did you still find a lingering admiration for American methods?

A. We were surprised to find that the Russians were generally less interested in our activities than we were in what they were doing.

The Russians are very confident of what they are doing in science and technology. They have elevated the role of science and technology, both within the Government and within the eyes of the people, to the highest possible level. The Minister of Science and Technology in the U.S.S.R. is one of the four top people, a Vice Premier.

They've established the Russian Academy

of Sciences, which is almost independent of Government control. There is no position in Russia which rates as high as being an academician. This is recognized from the point of view of his position in the community, his stature within the eyes of the public, plus the fact that he gets cold cash and living quarters which are second to no one in Russia.

All basic research is under the direction of the Russia Academy of Science. In their Science City in Siberia they are now also planning to combine basic research and development and engineering activities under the same central authority.

Such an approach is contrary to American practice, where we believe that development programs should be decentralized and coupled closely to market requirements. As a matter of fact, it is in this very area, namely the development of research-management methods, where we have such a decided and proved superiority over other countries.

So I would say that they've used science and technology as a very important ingredient of the whole economy. They are using it as a tool for progress. They are making a great effort to enhance their educational facilities in science and technology and to attract young people into this field.

People in Russia view science and technology as a goal for a better life, place it at a higher level than we do in this country.

One area where I did find keen Russian interest in the U.S. was in industrial management. They were very much interested. They are just now beginning to address themselves to the problem of teaching management and the use of computers and new management tools. I think the Russians are beginning to feel this is the next area to which they should direct their attention.

Q. Have they been lagging badly in that?

A. They have been lagging badly, but, on the other hand, they are willing to recognize this fact, and my guess is that they are going to do something about it.

For example, they have no graduate business schools. On the other hand, there are very few in Europe. This type of educational activity, which we've known in the United States for some time, is only beginning to become apparent in other areas of the world.

The Russians are now wondering how they can use computer technology as a management tool. Such a technique may be even more important in their highly centralized decision-making structure.

With the tremendous emphasis upon education, the ability to attract top-flight students to go to their technical institutes, universities and language institutes, my guess is that they are doing a pretty good planning job in anticipating future needs for an industrialized country.

WHY AUTO OUTPUT LAGS

Q. Over all, how does Russia stack up against Western Europe in moving ahead?

A. Look at it this way: Recently, the biggest single problem in Russia has been housing. In evaluating their lack of success, let's say, in the chemical industry and in automobile production, we've got to realize that they had to attack this housing problem first. In Russia today all land and property is owned by the state, and individuals are limited to 100 square feet of living space per person!

I'm not impressed with the design, architecture or quality of construction. But they are, in fact, building a tremendous number of apartments, so at least the people have somewhere to live. And they have done this at the same time that they have been trying to develop a highly industrialized and scientific society. I think once they are over the housing problem, if they address themselves to other areas such as agriculture, plastics, chemicals, or automobile production with the same vigor, they are going to make a lot of progress.

Q. Did you find that the Russians are addressing themselves as vigorously to their problems of management as the Western Europeans are?

A. Actually, I found more concern with the problem of technical management in Russia that I normally would find in Western Europe. Until fairly recently, I don't believe that the Europeans have viewed the management of a technical society as an important factor in either education or industry—certainly not the way we do here in the United States.

Q. You hear the Europeans complaining bitterly that a "brain drain" and a "technological gap" have been brought about because the U.S. is so big and has so many resources. Are these legitimate complaints?

A. Most of the comments about our part in the technological gap and the brain drain have come from politicians, not from progressive industrial managers or directors of research.

Q. There has been some talk about the U.S. providing a "technological Marshall Plan." Is this necessary?

A. I find very little support anywhere in this country, either in Government or industry, for any so-called technological Marshall Plan. We should realize that research and development per se do not necessarily contribute to economic growth. Research and development must be effectively used to develop products and put them into the marketplace. That is another problem.

The people who have been talking about the "technological gap" in Europe, in many instances, see large expenditures of Government research and development funds in America and assume that these necessarily can be correlated with productivity or the development of products. This is not so, except in limited areas where the scale of research or the market is a dominant factor.

The Japanese prove this point. They have invaded the United States with optical equipment as a result of their own technology. They have entered the shipbuilding business and are now by far the No. 1 producer of ships in the world in terms of tonnage. This was not a question of science, but a combination of good management techniques and the use of modern technology.

As I said before, science hasn't any particular boundary. The problem is to take science and technology and couple those things with a market demand in combination with good management—and produce products. And I think if there is one area where this country perhaps is pre-eminent, it's in our ability to mate science and technology with market requirements at a faster rate than can be done in some other countries, particularly in Western Europe.

Certain aspects of our economy are totally unknown in Europe. I refer, for example, to the concept of American entrepreneurship—the idea of generating new technical enterprises, as we have done to a very large extent in the greater Boston area and in Palo Alto. This idea of "risk taking," either at the management level or the entrepreneur level, is just not known in Western Europe.

In another area—namely, that of education—the Europeans and the Russians are way behind the United States in developing schools of industrial management. The relationships between industry and the universities as we know them in the United States are not known in Europe. The United States is the only country in the world—with the possible exception of Russia, incidentally—which has developed a technique for using the combined academic, industrial and government talents on a compatible basis to look at major national problems. This just isn't done in Europe.

So there are a number of misconceptions with regard to the technological gap. In essence, if there is a gap, it is a management gap.

SPACE PROGRAM: A WASTE

Q. Dr. Morse, how much does industry actually gain from all these big research-and-development programs we have in this country—billions in space and defense and other fields?

A. It is my view that our large Government-funded programs in space and defense may actually be detrimental to our ability to compete in world trade with new technical products on a total over-all effectiveness basis. Two thirds of our technical professional manpower is now tied up in federally sponsored R&D programs and as a result our capability to design, develop and market competitive commercial products probably has been reduced rather than enhanced in terms of our national effort. Some firms in the aircraft industry are selling commercial aircraft, and some aerospace companies have developed new markets via corporate acquisitions. But, almost without exception, no predominantly space or defense-oriented companies have successfully developed and marketed new commercial or consumer products on a substantial scale.

The management-marketing capabilities for successful Government-contract work are not suitable for use in the highly competitive civilian economy.

Q. Are you saying these large Government programs are hindering our competitive situation abroad?

A. I think it would be difficult to prove they are actually hindering it. But we shouldn't have any misconceptions about defense and space programs as a stimulus to civilian production. Actually, I'm more concerned about the people than I am about the dollars. When you take a very large number of people out of the civilian sector, these are people who are not working on products which might be of direct interest to world trade or in improving living standards at home. In fact, we now have a pretty husky scientific WPA in some areas.

Q. We hear so much about "spin-off" from all these Government R&D programs—is it of substantial value?

A. The spin-off that we get from large Government programs—either defense or space—is greatly exaggerated when you try to express it in terms of specific products. From Government activities, we have learned to manage large systems—true. We have expedited the use of certain new forms of technology—true. We have certainly expedited the commercial introduction of transistors and microcircuits, for example.

But the actual number of specific products which can be directly related to spin-off from the space program is extremely small in terms of the total numbers of people and dollars expended in that activity. I would far rather see this effort—and I refer particularly to the manpower effort—directed to more important problems right here on the earth's surface, such as in areas of air pollution, water pollution, urban renewal and transportation.

Unfortunately, many segments of our society have to have some kind of goal, or be mission-oriented—as the Apollo moon-landing program, for example—to either stimulate people's imagination or stimulate Congress to provide funds to get on with the job. I believe this is a gross misuse of the total technical and management resources of the country and we should do a better-integrated planning job.

RUSSIA'S MOON-RACE GAINS

Q. Are the Russians in the same boat? They're in the moon race, too—

A. I think from the Russians' point of view, an Apollo-type program probably had greater significance, because it was essential to their national pride and it established

them clearly in the eyes of the world as a leading technological nation. We didn't need to do this in order to be established as a progressive industrial society.

If we had had the guts to bow out of the moon race at the very start, and concentrate on useful space applications, such as reconnaissance, communications, navigation and weather, we would not now have our difficult NASA problems.

I think a large segment of the world's population would have applauded our willingness to use a little more mature judgment and say, "We're going to do things which are good for the world, not good for pride and prestige."

Q. The Germans and Japanese, to take two countries, aren't involved in these Gargantuan government programs. Are they at a disadvantage, being left behind in developing new technology?

A. Obviously, the Japanese are not. The Japanese have been particularly clever in picking up "spin-off," if you will, from our space program and applying it to developing commercial products which have improved their export trade.

You're going to find a certain amount of this done in Europe. Maybe we're big enough to do both useful things and "science for science's sake," but it doesn't seem to me an effective use of our manpower. We can't do everything. We've got to have a better allocation of technological resources for the good of the country—or the world, if you will.

Q. What is going to force a reallocation of our resources—public reaction, or the Government itself?

A. This is a very difficult problem in a democracy, because unfortunately we do not have a good forum for national debate on issues of this type. I have, for example, personally polled a group of people who represented the senior technical executives of perhaps 80 per cent of the commercial sector of our economy and almost without exception found no backing for the current Apollo program—much less a post-Apollo space program in the United States. But our more objective and knowledgeable people are not usually the most vocal.

Our aerospace industry is obviously committed to its existence. Congress has not been willing to face this issue clearly. So we have a built-in, self-perpetuating phenomenon here which is difficult to slow down.

We also have a very substantial investment in Government laboratories with Government employees which should be redirected, from an effort point of view, but this also is difficult. In general, the people who review such programs as our post-Apollo activities are the very people who are associated with space programs, rather than those who should be concerned with the total and more effective allocation of both financial and technical resources in the country as a whole, particularly in time of war—i.e. today.

AFL–CIO CONVENTION CALL FOR PROGRESS

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. RHODES] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Speaker, the Seventh Constitutional Convention of the American Federation of Labor and Congress of Industrial Organizations convenes December 7. The federation's convention call, I believe, clearly demonstrates the determination of organized labor to serve not just the interests of union members, but those of the entire Nation. Under unanimous consent I place this document at this point in the RECORD and recommend it for the consideration of all of our colleagues:

This convention, which meets at a time of trial for all America, must both weigh the record of the past two years and plan for the years ahead. In considering the record, the convention could find much satisfaction in the last two years, if our sole criterion was progress for the labor movement.

Since the last convention, paid per capita membership has risen from just under 13 million to nearly 14.3 million. Despite mounting employer resistance, our unions have won broad new gains in wages and social benefits, and organizing breakthroughs have been scored among agricultural workers, teachers, government employees and others.

The second session of the 89th Congress, ending January 2, 1967, enacted a number of measures which were high on the agenda of our last convention. The Congress did enact the strongest Fair Labor Standards bill since the original wage-hour law was passed in 1938, not only raising the minimum wage in two steps to $1.60 an hour but extending the law's protection to some eight million additional workers, including, for the first time, nearly 400,000 in agriculture. The Congress also added the Cold War GI Bill, long pressed by the AFL–CIO, to the educational gains of the previous year, and added a rent supplements program to the housing bill.

Yet the direct gains won by our unions and the 1966 legislative victories are far outweighed by the problems that now beset America. We share in those problems, and it is our mission to lead the fight to overcome them. In this broader role, the impressive gains we ourselves have made are not enough; and we cannot be satisfied with past legislative achievements.

We have urged upon the present Congress a program of action that has not been followed; the result has been a virtual stalemate for progressive legislation, and the neglect of urgent social needs. We have repeatedly told the Congress that:

The sweeping social advances undertaken since 1961 must be fully implemented, with adequate funds, and perfected by additional legislation where necessary.

New programs must be undertaken at once to create rewarding jobs for the urban unemployed.

Housing construction, especially in the cities, must be more than doubled; the new Model Cities and rent supplement programs of 1966 must be fully funded, and the long-standing public housing program must be pressed forward much faster.

Vital to the solution of the housing crisis—and to the realistic achievement of most civil rights goals—is open housing. The right of every American to buy or rent any home he can afford, anywhere he chooses, must be assured by federal law.

Consumers must be protected against usury, misrepresentation and fraud, evils which strike hardest at the poor.

And looking farther ahead, an energetic effort must be undertaken by the labor movement, allied with other farsighted Americans, to elect to federal office in 1968 those candidates who are dedicated to progress. This is not a matter of party affiliation. We say, as organized labor has said since the time of Samuel Gompers, that we will support our friends and oppose our enemies; and our friends are those who stand with us in demanding the improvement of society in America for the full and equal benefit of all.

Two years ago, at the crest of an unprecedented wave of social progress, we could truly say that "at no time in the AFL–CIO's first decade has the present been so praiseworthy and the future so promising."

Those words stand in stark contrast against the background of today's realities.

True, American society is still affluent—for the great majority.

True, the great constructive programs enacted since 1961 are still in being, and are still moving toward the betterment of American society—but they have never been funded adequately.

The bright promise of 1965 has faded; the unfinished business we cited then is, with few exceptions, unfinished still; and many of the problems we underscored at our last convention have grown worse.

Long-neglected urban needs have exploded into a national crisis of shocking proportions.

The historic civil rights legislation of recent years has not been followed up by other essential enactments, such as open housing, and the laws already on the books have not been adequately implemented.

Poverty and unemployment, especially among Negroes and other minority groups, and especially in urban ghettos, remain a moral outrage and an enormous human and economic waste.

Progress toward the ideal of unlimited educational opportunity for American youth—an ideal brought so close to achievement by the 89th Congress—is threatened with a reversal.

Although improvements in the Social Security system are pending in the Congress at this writing, the best bill that can be passed will be only a down payment toward the system as it should be. There is no real movement in the Congress toward legislation to stem the soaring costs of medical care, which could undermine the hard-won medicare program for the aged nor toward medicare's extension.

Agricultural workers are still denied the protection of the National Labor Relations Act, and their efforts to organize are resisted with primitive ruthlessness by powerful farm corporations.

Anti-labor employers are flouting with growing boldness the meager safeguards afforded to other workers who seek to form unions.

The situs picketing bill, urged by four successive Presidents of the United States, still lies dormant at this writing.

This is indeed a catalogue of hopes aroused, only to be dashed by legislative lethargy or worse.

The responsibility is easy to fix. It rests upon the 90th Congress; a Congress which has ignored, evaded or openly rejected its clear obligation to build upon the record of its illustrious predecessor.

Two years ago we warned that continued legislative progress depended upon the preservation and strengthening of the liberal majority in Congress. The 1966 elections weakened, rather than strengthened, the liberal forces, and had a stronger impact upon spirit than upon numbers.

Some have argued that the 1966 elections reflected a public will to slow the pace of social advance. We reject that view. There were no national candidates and no clear national issues in 1966. The very inconsistency of the results is evidence that local rivalries, local issues and local personalities were the dominant influences.

Too many Americans believe there is still a liberal majority in the 90th Congress. This is just not true. The actual majority in the House of Representatives is the conservative coalition composed of members of both parties.

Beyond the domestic issues there remains the grave problem of the defense of freedom in South Viet Nam. It is testing as never before the calmness, the patience and the good sense of the nation.

There are some who cry for a wider, "get it over with" war, regardless of risk. There are others who call for total disengagement, regardless of the impact on freedom's cause.

And from both camps—and many of those that lie between—rises the charge that there must be a choice between war and social progress; that America cannot afford both at once.

Both camps are wrong on all counts. In South Viet Nam—as earlier in Korea—the United States is not in search of conquest or even victory in the classic sense. This country is fighting for the principle of self-determination; the principle that any body of people has the right to decide its own course without outside interference. It was on this principle that the American Revolution was waged; the principle is as valid in the rice-paddies and jungles of Viet Nam as it was at Bunker Hill and Yorktown. The defense of that principle has become an American obligation, unsought and reluctantly shouldered, but unavoidable so long as we cherish human freedom.

With that burden there is the obligation to perfect American society, not only for the benefit of Americans but as an example to the world of freedom's rewards. To sacrifice one for the sake of the other would be to lose both; and no such sacrifice is needed. This vast, rich and growing country has no need to make an impossible choice.

The fight for freedom in South Viet Nam must be carried on, with patient restraint and with continuing efforts to reach an honorable peace. The fight for universal freedom at home must be waged with mounting intensity and without quarter.

It is to that cause and in that spirit that we call this Seventh Constitutional Convention of the American Federation of Labor and Congress of Industrial Organizations.

THE MERITORIOUS PERFORMANCE AWARD, VA REGIONAL OFFICE, DETROIT, MICH.

Mr. JACOBS. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DIGGS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DIGGS. Mr. Speaker, I am extremely proud to announce to the House that the Veterans' Administration Regional Office, of Detroit, Mich., was this September 21, 1967, the recipient of national VA awards for exceptionally high quality of management operations during the fiscal year of 1967. The awards for meritorious performance in the divisions of loan guarantee, administration, contracts, and finance cite an overall record of performance which gives the Detroit regional office claim to the best managed within the Veterans' Administration field system.

I know that as Members of the U.S. Congress, you are gratified by this obvious diligence in pursuit of the goals, urged upon the Federal service by President Johnson, of "cost consciousness and excellence in performance."

Regional Director, R. M. Fitzgerald, and all of the individual employees who achieved this record have extended a benefit of paramount importance in this time to all citizens.

I take the opportunity to express also, Mr. Speaker, my personal recognition of, and gratitude for, the willingness, readiness, and competence with which the Detroit VA has consistently responded to the many contacts we must make with them in our congressional responsibility on the hundreds of inquiries and problems of veterans which come to us during the course of a session.

I exalt with the Detroit regional office in this proud occasion; extend again personal congratulations; and eagerly look forward to this kind of citation making the full circle of VA regional offices of this Nation.

FROM THE POTOMAC'S MUDDY BANKS

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SCHWEIKER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SCHWEIKER. Mr. Speaker, I would like to call to the attention of our colleagues a column by Mr. McLellan Smith, in the Delaware State News, Dover, and the York Dispatch, York, Pa., in which he praises H.R. 13207 and H.R. 13208, which I recently introduced. Mr. Smith has done an excellent job of pointing out the need for such legislation. The column follows:

FROM POTOMAC'S MUDDY BANKS

(By McLellan Smith)

WORTHWHILE COMMISSION

President Johnson appoints White House commissions to study and consider just about every problem confronting the Nation. He has even appointed one to study crime and "make recommendations." Thus far it has been relatively inert, especially with respect to "crime in the streets."

Comes now proposed legislation that would give up to $25,000 compensation to victims of crimes of violence.

The measure, authored by Rep. Richard S. Schweiker (R., Pa.) and a possible candidate for the Pennsylvania Senate against incumbent Democrat Joseph H. Clark, self-styled liberal, would create a permanent Violent Crimes Compensation Commission for crimes committed in the District of Columbia and "all" Federal installations. The Pennsylvania solon desires that the Federal program become a model to encourage States to set up their own compensation plans for crime victims.

The measure would compensate both the principal victim of a crime and a "Good Samaritan" who is injured while trying to prevent a crime or apprehend the offender.

A companion bill by the same author would shield all "Good Samaritans" in the District of Columbia from law suits which might arise from their helping at the scene of a crime. Nurses and physicians have had this immunity in Washington since 1965. The pending measure would extend this immunity to every citizen as 13 States now do.

About two Americans in every 100 will be victims of violent crime during 1967. (It is now about 15 in 100 in the Nation's capital). The innocent victim of a violent crime is often the "forgotten man" of our society.

Our present system of criminal justice (aided and abetted by the Supreme Court) takes great care to apprehend suspects and punish and rehabilitate those found guilty. But, while society is housing, feeding and trying to rehabilitate its criminals, it leaves crime victims to fend for themselves.

Nary a soul aids the crime victims for expensive medical care. No one replaces earnings they lose. A family that loses its breadwinner in a fatal crime episode has no claim against our slack criminal justice system for the loss.

The compensation commission envisioned in the pending Schweiker bill would compensate crime victims for both out-of-pocket costs and loss of earnings. In the event of the victim's death, dependents would be compensated for their financial loss.

We think the bill is a good one, but fear it would not become law because it would reflect upon the feeble efforts of the White House and the present Attorney General, Ramsey Clark, to "do something" about the growing crime rate in our cities.

PURNELL WRITES OF HAPLESS PLIGHT OF MARINES, VICTIMS OF DUBIOUS POLICY

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SCHWEIKER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SCHWEIKER. Mr. Speaker, Mr. Karl Purnell, a former representative in the Pennsylvania General Assembly and former newspaper publisher, has been in Vietnam as a special correspondent for several months.

I feel our colleagues will be as interested and as terribly disturbed as I am by his recent dispatch to the Sunbury Daily Item which details the horrible conditions under which our marines have been fighting in Conthien.

Today I have asked Secretary McNamara to look into this matter. It is my hope that my request will receive more than the routine assurances which all of us have been given whenever we have raised questions concerning the conditions under which our men are having to fight.

I would also like to share with the House an editorial on this subject by Mr. Henry H. Haddon, the very able managing editor of the Sunbury Daily Item.

PURNELL WRITES OF HAPLESS PLIGHT OF MARINES, VICTIMS OF DUBIOUS POLICY

(EDITOR'S NOTE.—"This is a story that needs to be written," is the message from Karl H. Purnell, Lewisburg, former newspaper publisher and state assemblyman, who has been in the Vietnam war zone for many months as a special correspondent. He suggests that Daily Item readers clip this story and send it to their U.S. Senators and Congressmen in the hope that "it would do some good." The reader is likely to agree with him.)

(By Karl H. Purnell)

Somewhere in Vietnam.—Con Thien is Vietnam's special kind of hell. Dusty in the dry season and muddy in the monsoons, this forward artillery outpost near the demilitarized zone between North and South Vietnam is a death trap for the reinforced battalion of U.S. Marines stationed here.

Inadequate bunkers and entrenchments have made Marines at Con Thien sitting ducks for North Vietnamese gunners who fire heavy artillery rounds into the outpost throughout the day and night. Since supplies can be brought in only by a limited number of helicopters, GI's here live for weeks on end in mud-soaked, torn uniforms and wet boots because replacements are not available.

Last week at Con Thien, a typical night ended with three GI's killed and a dozen wounded.

I flew into this outpost in a helicopter sent to evacuate the previous days' dead and wounded. Arriving in the early evening, I went up to Observation Post Two where a young lieutenant stood in muddy fatigues and a raincoat, peering through binoculars. He had been at Con Thien only three days and a wedding band on his finger indicated that somewhere back home a wife was just starting the long wait for his eventual return.

"There are six North Vietnamese battalions out there and intelligence says they're going to hit us tonight," the young officer said.

Another Marine with a dirt-streaked face laughed nervously and admitted Con Thien would be overrun if the North Vietnamese decided to attack. "They want this place, they can have it," he said.

As darkness set in I decided to put my cameras in a small bunker ten yards from the lookout post. Half-slipping down the wet sandbags, I climbed into the crowded bunker where several Marines sat on ammunition boxes. Water dripped from the ceiling and only two sputtering candles illuminated the small room.

"Come on in. You picked a good night to visit," a G.I. smiled.

Almost immediately, a series of explosions began to rock the heavy timbers of the bunker.

AWAITING THE ATTACK

"There they go. All we can do now is hope they don't score on us," the Marine said quietly as a barrage of shells from North Vietnam began landing on the Con Thien outpost.

Suddenly a particularly loud bang could be heard and then a desperate voice sounded over the radio from the Observation Post.

"They got us. The Lieutenant, he's dying. . . Get a corpsman quick."

For a few moments, we waited. Then one of the Marines spoke: "There ain't no corpsman up on this hill."

We climbed out of the bunker and for the next two hours, we carried the wounded Marines off the Observation Post to a battalion aid station almost a half-mile away. Shells were still falling at random throughout Con Thien as we slogged through the knee-deep mire with the heavy stretchers. Occasionally, one of us would fall as a wet stretcher handle slipped from our grasp, causing the wounded Marine to sink into mud.

By midnight, the last of the wounded were evacuated. Only the body of the dead Lieutenant was left above ground. For the rest of the night, we dozed and talked, hoping the enemy attack would be postponed for another night.

At 7 a.m., one of the largest barrages in Con Thien's history began exploding throughout the outpost. Within 20 minutes North Vietnamese gunners plastered us with no less than 230 heavy artillery shells. By 7:20, two more Marines were killed and another seven wounded as the charges ripped through the Marine bunkers, most of which are plainly inadequate.

MILTON MARINE QUOTED

Last summer, PFC David Swanger of Milton, who was stationed at Dong Ha which is near Con Thien, summed up the feelings of most of the Marines stationed in this area.

"I'm tired of this place and I want to go home," he said simply. Swanger had been in Vietnam 23 months and was ready to rotate back to the States.

Another young Marine who wasn't so lucky is PFC Stephen Jones, grandson of Dr. and Mrs. Edward Pangburn of Lewisburg. I found this young Marine in a Danang hospital recovering from shrapnel wounds incurred during a mortar barrage in the DMZ.

"I heard the first round land about 100 yards away. Then they just walked the next few shells right into our position. There was no bunker where we could protect ourselves," Jones said. Several of his comrades were killed during the attack.

"I hope I never hear another incoming round again," the Marine said the day before he was slated for evacuation from Vietnam.

PROTECTION LACKING

This lack of proper protection under which Marines are suffering each day along the DMZ is accounting for hundreds of unnecessary deaths. High-ranking military authorities say the constant shelling which the Marines take at Con Thien, for example, is part of the price which must be paid to prevent North Vietnamese troops and supplies from infiltrating into South Vietnam. There are, however, two facts which these Pentagon generals are not facing.

First, the bunkers are woefully inadequate at Con Thien. Steel and concrete is not available so that the entrenchments are supported by heavy timbers with only six or seven layers of sandbags on the top. A rocket or heavy artillery shell landing on almost any bunker in Con Thien usually kills the helpless Marines inside.

Lt. Colonel Gordon Cook, Syracuse N.Y., commander at Con Thien, admits the bunkers are not very good.

"We're so busy trying to fire back at the enemy and run patrols, we don't have time to build better protective bunkers," he says.

The Colonel has been at Con Thien only four weeks and cannot be held responsible for the failure of his predecessors to construct entrenchments which would withstand enemy shells. This has been done at Gia Linh, only four miles away, and it is rare when enemy gunners kill a G.I. in the well-fortified, underground bunkers at that outpost.

Secondly, the whole strategy of placing U.S. Marines in a static position where transportation limits resupply is being questioned by Marines at Con Thien. Washington officials at the Pentagon claim that outposts like Con Thien prevent the North Vietnamese troops from infiltrating supplies through the DMZ. However, the men who are fighting and dying at Con Thien say this official version isn't true.

INFILTRATION UNCHECKED

"They're slipping through all right—small units at a time and there isn't much we can do about it," Lt. Col. Cook says.

Since the North Vietnamese can move freely at night despite artillery barrages launched by the Americans, helicopters landing at Con Thien are often fired upon by gunners who have staked out the coordinates of the landing pad in advance. The recent rains have washed out the roads, so that trucks can no longer bring in the much-needed shells, clothing and food for the surrounded Marines.

"Why did they stick us out here if they knew the rains would wash out the road," one Marine asked.

The fact that these GI's are getting killed and wounded for a policy which isn't working and in many cases, because adequate protection is not available, is causing serious morale problems at Con Thien.

"Man, I just want out of this place, one Marine said, who was willing to fight the enemy but resented being placed in a situation where a random artillery shell could end his life.

Another Marine asked this reporter to "tell the people back home what it's like here," which I promised him I would do.

THE COST IN LIVES

The wife of a young Marine Lieutenant somewhere in the United States will receive word of her husband's death this week. Although she will never know it, her husband was killed by a recoilless rifle which smashed into the thin wall of sandbags and sprayed the hapless officer with shrapnel. Two marines were killed at exactly the same spot three days prior to this, mostly because the observation post did not have the protective covering to save the GI's from a direct hit.

Unfortunately, it is too late to help that young life. However, the Marines at Con Thien are still being killed each day because of the policy of high officials who apparently do not realize what a serious position these young GI's have been placed in. It would be a tragedy if this senseless killing and wounding continues.

A new round of debate on Vietnam underscores the record of 20 erratic years of United States policy in Asia. And since one Republican administration had a hand in this, Senator Dirksen is not going far afield in supporting the stand of President Johnson.

The central aim—halting the tide of communist conquest—cannot be questioned. The question now is what can be done to carry on successfully with this purpose while extricating ourselves from an Asian war and at the same time preserving the integrity and influence of the United States.

Possibilities of a sharp change in policies are very limited, notwithstanding the glib proposals of those who advocate turning tail without regard for the consequences.

The shortsightedness of those who clamor for a halt in the bombing of North Vietnam without similar action by the communist aggressors and the rigidity of Pentagon policy in the face of dubious results are costing American lives, and make no mistake about it. Callous disregard of this face is beyond understanding.

"Con Thien is Vietnam's special kind of hell," Karl H. Purnell, Lewisburg, former Union County assemblyman, writes after living with Marines under constant fire of communists mortars within the so-called demilitarized zone. And he makes a strong case for relief of these beleaguered forces along with greater support for them. Inadequate bunkers for protection, lack of replacements and washed-out roads over which supplies cannot be hauled are elements of the story and understandably, morale is adversely affected.

The debate rages on and will intensify as the presidential election campaign gets fully under way. And far too little attention is being paid to what is happening to America's sons because of policies which create conditions such as those at Con Thien where lives are being sacrificed in a futile effort to halt infiltration of communist troops into South Vietnam. Theory and idealistic thinking are much too prevalent among hawks and doves alike.

THE 188TH ANNIVERSARY OF DEATH OF CASIMIR PULASKI

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, yesterday, October 11, marked the 188th anniversary of the death of Casimir Pulaski. At the battle of Savannah, Ga., this great Polish patriot, who is remembered in history as the father of American cavalry, gave his life in the American struggle for independence.

Pulaski, the eldest son of Count Joseph Pulaski, was born in Poland in 1748 and fought with his father in the popular uprising against Russian control after Poland had been partitioned by Germany, Russia, and Austria. When the

forces of freedom, who had fought so gallantly against enormous odds and with inadequate equipment, were crushed by the Russians, Pulaski dispersed his men and sought aid for their cause abroad. Although a penniless refugee, and having lost his father and brother in the fight for freedom for Poland, he sought help in Prussia, Turkey, and then France. In Paris, Pulaski met Benjamin Franklin, who told him of the need for trained soldiers and leaders in the American Revolutionary War. The Polish hero traveled to the United States, seeing our struggle as another opportunity to fight for freedom, and presented a letter of introduction from Franklin to General Washington.

Pulaski distinguished himself in the battle of Brandywine and was commissioned a brigadier general by Congress and given command of the entire American cavalry. Believing fervently in the cause for which he was fighting, Pulaski led his men for 2 years before being struck down during the siege of Savannah. Seriously wounded on October 9, he died on October 11 at the age of 31, having made an outstanding contribution to the success of the American Revolution.

In paying tribute again this year to General Pulaski, we who now enjoy American freedom must rededicate ourselves to the restoration of freedom to Pulaski's homeland, Poland, which still suffers under the foreign domination of Soviet Russian imperialism.

At the present time, when the Communist government in Warsaw is providing major support to the North Vietnamese Government, the memory of Pulaski's fight for the freedom of Poland and America stands in complete contradiction to the principles of the Soviet-imposed Polish Government. History does repeat itself, and the spirit of Pulaski inspires the Polish people to their quiet resistance against the dictatorial Warsaw regime, and we in the United States must urge the development of a foreign policy that will restore freedom to all countries under Communist control rather than make the tragic mistake of coexistence with the enemy.

SUPPORT FOR FINDLEY AMENDMENT

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

tober 10 issue of the Rocky Mount Telegram, Rocky Mount, N.C., carried an editorial encouraging support for the

Mr. FINDLEY. Mr. Speaker, the Oso-called Findley amendment to the Foreign Assistance Act of 1967. The amendment, accepted by the House, but reportedly dropped by House-Senate conferees, would suspend most-favored-nation status for Poland until that country stops supplying weapons to our enemy in Vietnam.

The editorial encouragement, of course, is appreciated, and perhaps other Members will be interested in it as the time approaches for consideration of the conference report. At that time I will ask the House to insist upon its position supporting the amendment.

Text of the editorial:

OPPOSE TRADE WITH REDS

A group of local citizens are understandably concerned about the U.S. policy of trading with Communist nations, particularly at a time when such trade enables the Communist bloc to sustain the war-making effort of North Vietnam.

In effect, we are helping the Red bloc kill American troops in the Vietnam war. This is difficult for loyal American citizens to understand, yet there are those in Washington who are vigorously pushing for expansion of trade with the Reds. Little wonder Rocky Mount citizens formed a committee called TRAIN, the purpose of which is to gain support from area residents in an effort to get members of Congress to oppose trade deals with the Communists.

Consider, for example, that on Sept. 29 Ted Sorensen, former White House counsel, urged that Congress promptly remove "out-moded and discriminatory" U.S. barriers against "non-strategic" trade with the Soviet Union.

This proposal is indefensible on two counts. First, too much of the trade with the Communists has been anything but "non-strategic." Second, even if such trade were in non-strategic items, it still helps the Reds sustain the war effort of North Vietnam, for by supplying the Soviets with non-military items, we free Russian industry to manufacture war goods for Hanoi.

But consider Sorensen's reasoning: "Engaging in such trade can actually advance our national interest in Vietnam as well as the world at large," he said. Does he really expect anyone to believe such hogwash?

It is this sort of thinking that has diminished America's position and stature in the world today. The Johnson administration and its agents in Congress have succeeded in butchering an amendment that would deny "most favored nation" treatment to some of the Communist countries.

The Findley amendment (introduced by Rep. Paul Findley of Illinois) would have blocked Poland from getting special tariff concessions until it stopped supplying arms and ammunition to North Vietnam. Ironically, as the Senate-House conference committee was killing the Findley amendment, three Polish ships were docking in Haiphong harbor unloading goods to increase Hanoi's war-making capacity.

The leaders of the move to kill this vital amendment were Sens. Albert Gore of Tennessee, J. W. Fulbright of Arkansas and Frank Church of Idaho, all Democrats, the latter two up for re-election next year.

What puzzles Findley—and most loyal Americans—is why the administration would want to lavish favors on Communist Poland when it has been one of the most willing of the Russian slave nations, and has been one of the major suppliers of Hanoi.

Findley points out: Poland is the only nation now enjoying economic advantages of "most favored nation" treatment under U.S. tariff laws which is admittedly supplying weapons to our enemy.

"For example," Findley said, "on June 25, the Associated Press in Warsaw quoted Zenon Kliszko, Poland's No. 2 Communist, as pledging full assistance 'until complete victory' and telling Hanoi: 'We are glad that Polish guns are bringing concrete results to you in your fight. We are giving and we will continue to give material, political and military aid.'

"Kliszko credited a Hanoi antiaircraft unit armed with equipment furnished by Polish workers, technicians and engineers with shooting down or damaging 40 American planes. Shipment of Polish arms to North Vietnam has also been confirmed by the Polish defense minister."

While the State Department and others, like Sorensen, argue that the taking away of trade credits and concessions from Poland may undermine our presence in that country, we should point out that what comes first are American troops in Vietnam.

To permit any country benefitting from U.S. foreign aid programs to give military assistance to our enemy and have us do nothing about it, is to create serious diplomatic complications. For if one nation can do this without fear of our punitive action, others may follow.

Enough pressure from their constituents may convince members of Congress that America is in no mood for such a sellout. While the TRAIN effort here in Rocky Mount may be only one small protest, it is at least trying to arouse concern in a lethargic public. Since protest is getting to be such popular sport these days, let's protest something that is really significant.

TWO SIDES SEEN TO SMOKING DEBATE

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. GARDNER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GARDNER. Mr. Speaker, I would like to take this opportunity to insert into the RECORD an article entitled "Two Sides Seen to Smoking Debate":

TWO SIDES SEEN TO SMOKING DEBATE

(By James J. Kilpatrick)

"Get the facts!" said the authoritative voice on the boob tube. "A quarter of a million extra heart conditions. A million cases of bronchitis and emphysema. Eleven million cases of long-term illness. Write for your free copy of 'Smoking and Illness.'"

This free government leaflet, if you're curious, purports to "present the highlights" of a study released in May by the Public Health Service, "Cigarette Smoking and Health Characteristics." If the really curious viewer pursues the matter, and also obtains a copy of this parent study, he may discover at first hand what is meant by a credibility gap.

In plain words, both the free leaflet and the larger study on which it is based, in terms of the impression they seek deliberately to convey, are frauds. Prevaricators, it is said, are divided among three classes—liars, damn liars, and those who misuse statistics. By picking and choosing among some figures that are shaky to begin with, by glossing over necessary qualifications, and by mixing reasoned inference with pure surmise, the authors of these publications have perpetrated a shabby piece of propaganda.

The PHS study, conducted over 52 weeks in 1964–65, was intended to discover the relationship, if any, between smoking and a variety of chronic and acute illnesses. The raw figures were derived from interviews in a random example of 42,000 households.

So far, so good. But the key figures, on which all the conclusions are based, are the figures covering smoking habits. How many cigarettes per day? Did the respondent ever smoke? If so, how many cigarettes did he smoke? What was his heaviest rate of smoking? If these figures are not solid, the whole study begins to fall apart. And the astounding fact, glossed over in the report, is that "data on 60 per cent of the males who had

ever smoked were obtained from other persons. The interviewers simply accepted answers from whoever happened to be at home at the time.

The authors of this study kept tripping over the inadequacy of their own data. They were thus reduced to guessing: "It could well be that. . . . Had data been available, it might have been found that. . . . This could indicate that.

Two can play that game. With the same validity, on the basis of the PHS statistics, a critic can assure you that pack-a-day smokers spend fewer days in bed than persons who have never smoked; that the pack-a-day man is likely to have less hypertensions, less arthritis and better hearing than the never-smoked man. Amazingly, men who are presently smoking even have a lower incidence of upper respiratory conditions than persons who have never smoked. And believe it if you will, from Table 21 of the PHS report: Heavy-smokers over 65—the two-pack-a-day volcanoes—spend 8.5 days sick in bed each year, while their counterparts, men over 65 who never have smoked at all, are sick in bed for nearly two weeks. What do you make of that?

INCREASED COMMUNIST ACTIVITY IN SOUTHERN AFRICA

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina [Mr. WATSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WATSON. Mr. Speaker, today I want to take this opportunity to report to the House about an extremely dangerous development in southern Africa which could have a devastating effect on the ability of the United States and its allies to keep the vital sea route to the east open.

Of course, we are aware of the critical situation caused by the closing of the Suez Canal during the recent war in the Middle East. That closing has demonstrated beyond contradiction that the sea route around the cape is of vital strategic importance, both militarily and economically. It goes without question that free access to the cape by the maritime nations is essential. But, if a nation unfriendly to the United States should control the cape and seriously restrict, or even terminate, our ability to refuel there, it should be obvious that American influence throughout Africa and Asia will come to a screeching halt.

Fortunately, the present governments of southern Africa are firm friends of the United States. The Communist powers are aware of this friendship, and for this reason have made southern Africa a prime target for extending Communist influence.

Mr. Speaker, I must report that based on extremely reliable sources, that influence in just the past few weeks has taken the form of military involvement by Red China. Although we have not had the advantage of many actual news reports, Communist-trained and equipped guerrillas are swarming into southern Africa for the avowed intention of destroying all Western influence in that area of the world. Evidence of this increased activity is very clear, and I have been advised by those close to the actual scene that the Red Chinese are launching an extensive "war of liberation" in southern Africa.

For instance: Only a few weeks ago, Communist-trained guerrillas staged a pitched battle just inside Rhodesian territory in which 200 of their number were involved, including a Chinese woman instructor versed in the fine art of guerrilla warfare. This was only part of a 2,000-strong force who have been given extensive guerrilla instruction in Communist nations. Their first aim of conquest is Rhodesia, a pro-Western nation which the United States has made every attempt to condemn by the imposition of economic sanctions.

Finances and support from the Soviet Union and Red China are pouring into Africa. Orders have been given to step up training at Tanzanian and Zambian bases for a Communist-trained and equipped force of 6,000 so-called freedom fighters.

But, Mr. Speaker, the most alarming development in Communist subversion in southern Africa is taking place this very moment in Zambia as a result of a pact between that nation and Red China to construct a railroad connecting Zambia with Tanzania, bypassing Rhodesia. Wall posters are cropping up in Peking advertising for Chinese construction workers to go to Africa. These workers are none other than the infamous Red Guards, those fanatical young followers of Mao Tse-tung who stop at nothing to foster terror and violent revolution. Their purpose in going to Zambia is to give instruction in guerrilla warfare to African terrorist gangs. Already these misnamed "technicians" are in Tanzania training African guerrillas to strike into northern Mozambique against Portuguese forces.

Mr. Speaker, certainly all of us are aware of the U.N. sanctions imposed upon Rhodesia. On numerous occasions I have taken great exception to these sanctions as have a number of my colleagues. Of course, there are others who feel that the sanctions should be imposed because of the existence of a white minority in Rhodesia which is in control of the government. But, despite our difference here, it is time for some real soul searching by Congress and the administration in regard to our entire policy toward southern Africa, especially Rhodesia. We cannot afford another Vietnam in southern Africa, but I fear such is our fate unless we drop support for these U.N. sanctions and reevaluate our policy toward Rhodesia.

The United States must look upon the nations of southern Africa as holding the true balance of power and as being the only pro-Western influence of any consequence in sub-Saharan Africa and on the western shores of the Indian Ocean. Rhodesia in a very real sense holds the key to southern Africa. Let Rhodesia fall, and every other nation will follow swiftly.

The present ability of Rhodesia to resist Communist aggression is highly commendable, but she cannot fight the battle alone. In the name of the precious lives of our fighting men, let us avoid another Vietnam. We can do that now by supplying Rhodesia through reciprocating trade agreements with the necessary weapons to defeat this Communist aggression in its early stages. Rather than continue our official policy of vilification and hand-wringing condemnation of Rhodesia, we must make a concerted effort to extend the hand of friendship in a common endeavor—to hold the line against the spread of Communist aggression.

Mr. Speaker, in the very near future our distinguished friend and colleague, the Honorable Barry Goldwater, will be taking an extensive tour throughout Rhodesia. Certainly, his on-the-spot evaluation will be extremely beneficial in formulating a new policy toward Rhodesia and the whole of southern Africa. Additionally, I hope to join a number of our colleagues at a later date in making this same trip.

REMARKS OF CONGRESSMAN SCHWENGEL CONCERNING HIS VOTE ON THE POSTAL REVENUE AND FEDERAL SALARY ACT OF 1967

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, my vote Wednesday on the Postal Revenue and Federal Salary Act of 1967 represented a very difficult choice. Like most of my colleagues I found myself in a dilemma regarding this bill and shared their reservations about it. I, like them, would liked to have had a better bill, especially as it relates to the needs for salary of the postal employees, to vote for.

There was no choice but to vote to recommit this bill and I did so. The proposal for salary increases for postal workers in the bill is not consistent with the need to reclassify and upgrade certain postal employees. The salary adjustments represent only another stopgap measure.

In addition this bill delegates to the next President extraordinary powers over pay, expenses, and allowances of Members of Congress, Federal judges, heads and assistant heads of executive agencies, as well as other Government officials. This should not be a part of this bill. The establishment of the Quadrennial Commission is merely duplication, and such Presidential power over pay, expenses, and allowances of top Government officials can lead to abuse and intimidation in the future.

To me it is wrong to have salary increases and a raise in postal rates in the same bill. The two subjects are not related. There was sound reason to separate these matters and that was the main reason why we voted for recommittal.

Perhaps most important, we should observe that what the Post Office Department needs is a thorough study by a competent commission, involving people from both inside and outside the

Government, to find ways and means to cut out duplication, modernize the Department, and take advantage of present-day technology for more efficient operation. By the first of the year, I expect to introduce a bill calling for such an investigation.

The motion to recommit having failed, I reluctantly voted for the bill because I was committed to support improved salaries for postal workers. They have been denied the recognition they deserve, and their salaries have been adversely affected by inflation which is caused more by Government policies than by anything else. Their plight has made it difficult to recruit and train postal employees.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SELDEN, for 30 minutes, today.

Mr. GROSS, for 5 minutes today, to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. PUCINSKI in two instances.

Mr. FULTON of Pennsylvania.

Mr. MACHEN.

Mr. TENZER.

Mr. WAMPLER.

(The following Members (at the request of Mr. BROWN of Michigan) and to include extraneous matter:)

Mr. POLLOCK.

Mr. MCEWEN.

Mr. DENNEY.

(The following Members (at the request of Mr. JACOBS) and to include extraneous matter:)

Mr. JOELSON.

Mr. DONOHUE.

Mr. KASTENMEIER.

Mr. BLANTON in two instances.

Mr. NEDZI.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1084. An act to amend section 3620 of the Revised Statutes with respect to payroll deductions for Federal employees; to the Committee on Government Operations.

S. 1085. An act to amend the Federal Credit Union Act to modernize the loan and dividend provisions; to the Committee on Banking and Currency.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3973. An act to amend the Healing Arts Practice Act, District of Columbia, 1928, and the act of June 6, 1892, relating to the licensing of dentists in the District of Columbia, to exempt from the licensing requirements of such acts physicians and dentists while performing services in the employ of the District of Columbia.

ADJOURNMENT

Mr. JACOBS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 28 minutes p.m.), under its previous order, the House adjourned until Monday, October 16, 1967, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1155. A letter from the Associate Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting a report of agreements signed for the use of foreign currencies in July, August, and September 1967, pursuant to the provisions of Public Law 85-128; to the Committee on Agriculture.

1156. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend section 13 of the District of Columbia Redevelopment Act of 1945, as amended; to the Committee on the District of Columbia.

1157. A letter from the Chairman, Federal Power Commission, transmitting a recommendation concerning recapture of Pacific Gas & Electric Co.'s Bucks Creek hydroelectric project located on Milk Ranch Creek, Bucks Creek, and Grisley Creek, tributaries of the North Fork Feather River, all in Plumas County in northern California, pursuant to the provisions of section 14 of the Federal Power Act; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLAND: Committee of conference. H.R. 11456. An act making appropriations for the Department of Transportation for the fiscal year beginning June 30, 1968, and for other purposes (Rept. No. 768). Ordered to be printed.

Mr. SISK: Committee on Rules. House Resolution 944. Resolution for the consideration of H.R. 13178, a bill to provide more effectively for the regulation of the use of, and for the preservation of safety and order within, the U.S. Capitol Buildings and the U.S. Capitol Grounds, and for other purposes (Rept. No. 777). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DOWDY: Committee on the Judiciary. H.R. 6670. A bill for the relief of Dr. Virgilio A. Ganganelli Valle (Rept. No. 769). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 6766. A bill for the relief of Dr. Raul Gustavo Fors Docal (Rept. No. 770). Referred to the Committee of the Whole House.

Mr. CAHILL: Committee on the Judiciary. H.R. 7042. A bill for the relief of Dr. Jose Del Rio (Rept. No. 771). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 7896. A bill for the relief of Dr. José A. Rico Fernández; with amendment (Rept. No. 772). Referred to the Committee of the Whole House.

Mr. CAHILL: Committee on the Judiciary. H.R. 7898. A bill for the relief of Dr. Nemesio Vazquez Fernandez; with amendment (Rept. No. 773). Referred to the Committee of the Whole House.

Mr. DOWDY: Committee on the Judiciary. H.R. 8256. A bill for the relief of Dr. Hermes Q. Cuervo (Rept. No. 774). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 8257. A bill for the relief of Jose Bernardo Garcia, M.D. (Rept. No. 775). Referred to the Committee of the Whole House.

Mr. CAHILL: Committee on the Judiciary. H.R. 8258. A bill for the relief of Jorge Gabriel Lazcano, M.D., with amendment (Rept. No. 776). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CASEY:

H.R. 13478: A bill that section 481(a) of the Internal Revenue Code of 1954 be amended; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 13479. A bill to require reports to Congress of certain actions of the Federal Power Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. DOWDY:

H.R. 13480. A bill to make the proof of financial responsibility requirements of section 39(a) of the Motor Vehicle Safety Responsibility Act of the District of Columbia inapplicable in the case of minor traffic violations involving drivers' licenses and motor vehicle registration; to the Committee on the District of Columbia.

By Mr. MCDADE (for himself, Mr. ANDREWS of North Dakota, Mr. BELL, Mr. CAHILL, Mr. DELLENBACK, Mr. ESCH, Mr. FINDLEY, Mr. FRELINGHUYSEN, Mr. HARVEY, Mr. HORTON, Mr. MATHIAS of Maryland, Mr. MORSE, Mr. MOSHER, Mr. REID of New York, Mr. ROBISON, Mr. SCHNEEBELI, Mr. SCHWEIKER, Mr. SCHWENGEL, Mr. SHRIVER, Mr. STAFFORD, Mr. STANTON, and Mr. WHALEN):

H.R. 13481. A bill to prohibit the investment of income derived from certain criminal activities in any business enterprise affecting interstate or foreign commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. MCDADE (for himself, Mr. ANDREWS of North Dakota, Mr. BELL, Mr. CAHILL, Mr. DELLENBACK, Mr. ESCH, Mr. FINDLEY, Mr. FRELINGHUYSEN, Mr. HARVEY, Mr. HORTON, Mr. MATHIAS of Maryland, Mr. MORSE, Mr. MOSHER, Mr. ROBISON, Mr. SCHNEEBELI, Mr. SCHWEIKER, Mr. SCHWENGEL, Mr. SHRIVER, Mr. STAFFORD, Mr. STANTON, Mr. TAFT, and Mr. WHALEN):

H.R. 13482. A bill to prohibit electronic surveillance by persons other than duly authorized law enforcement officers engaged in the investigation or prevention of specified categories of offenses, and for other purposes; to the Committee on the Judiciary.

By Mr. McDADE (for himself, Mr. ANDREWS of North Dakota, Mr. BELL, Mr. CAHILL, Mr. DELLENBACK, Mr. ESCH, Mr. FINDLEY, Mr. FRELINGHUYSEN, Mr. HARVEY, Mr. HORTON, Mr. MATHIAS of Maryland, Mr. MORSE, Mr. MOSHER, Mr. REID of New York, Mr. ROBISON, Mr. SCHNEEBELI, Mr. SCHWEIKER, Mr. SCHWENGEL, Mr. SHRIVER, Mr. STAFFORD, Mr. STANTON, Mr. TAFT, and Mr. WHALEN):

H.R. 13483. A bill to provide for extended prison terms when it is found that a felony was committed as part of a continuing illegal business in which the offender occupied a supervisory or other management position; to the Committee on the Judiciary.

By Mr. McDADE (for himself, Mr. ANDREWS of North Dakota, Mr. BELL, Mr. CAHILL, Mr. DELLENBACK, Mr. ESCH, Mr. FINDLEY, Mr. FRELINGHUYSEN, Mr. HARVEY, Mr. HORTON, Mr. MATHIAS of Maryland, Mr. MORSE, Mr. MOSHER, Mr. REID of New York, Mr. ROBISON, Mr. SCHNEEBELI, Mr. SCHWEIKER, Mr. SCHWENGEL, Mr. SHRIVER, Mr. STAFFORD, Mr. STANTON, and Mr. WHALEN):

H.R. 13484. A bill to amend the Sherman Act to prohibit the investment of certain income in any business enterprise affecting interstate or foreign commerce; to the Committee on the Judiciary.

By Mr. McDADE (for himself, Mr. ANDREWS of North Dakota, Mr. BELL, Mr. CAHILL, Mr. DELLENBACK, Mr. ESCH, Mr. FINDLEY, Mr. FRELINGHUYSEN, Mr. HARVEY, Mr. HORTON, Mr. MATHIAS of Maryland, Mr. MORSE, Mr. MOSHER, Mr. REID of New York, Mr. ROBISON, Mr. SCHNEEBELI, Mr. SCHWEIKER, Mr. SCHWENGEL, Mr. SHRIVER, Mr. STAFFORD, Mr. STANTON, Mr. TAFT, and Mr. WHALEN):

H.R. 13485. A bill to permit the compelling of testimony with respect to certain crimes, and the granting of immunity in connection therewith; to the Committee on the Judiciary.

H.R. 13486. A bill to provide for the abolition of the rigid two-witness and direct-evidence rules in perjury cases; and to provide for the prosecution of contradictory statements made under oath without proof of the falsity of one of the statements; to the Committee on the Judiciary.

H.R. 13487. A bill to provide protected facilities for the housing of Government witnesses and the families of Government witnesses in organized crime cases; to the Committee on the Judiciary.

H.R. 13488. A bill to establish a Joint Committee on Organized Crime; to the Committee on Rules.

By Mr. PATMAN:

H.R. 13489. A bill to amend the Federal Credit Union Act to modernize the loan, investment, and dividend provisions; and for other purposes; to the Committee on Banking and Currency.

By Mr. REUSS (for himself, Mr. MEEDS, Mr. REES, Mr. COHELAN, Mr. WILLIAM D. FORD, and Mr. DOW):

H.R. 13490. A bill to amend the Internal Revenue Code of 1954 to raise needed additional revenues by tax reform; to the Committee on Ways and Means.

By Mr. ROBISON:

H.R. 13491. A bill declaring October 12 to be a legal holiday; to the Committee on the Judiciary.

By Mr. WILLIS:

H.R. 13492. A bill to provide for orderly trade in textile articles; to the Committee on Ways and Means.

By Mr. WYATT:

H.R. 13493. A bill to provide for the issuance of a special postage stamp to commemorate the 50th anniversary of the independence of the Baltic States (Estonia, Latvia, and Lithuania); to the Committee on Post Office and Civil Service.

By Mr. DENT:

H.J. Res. 887. Joint resolution creating a Federal Committee on Nuclear Development to review and reevaluate the existing civilian nuclear program of the United States; to the Joint Committee on Atomic Energy.

By Mr. McDADE (for himself, Mr. ANDREWS of North Dakota, Mr. BELL, Mr. CAHILL, Mr. DELLENBACK, Mr. ESCH, Mr. FINDLEY, Mr. FRELINGHUYSEN, Mr. HARVEY, Mr. HORTON, Mr. MATHIAS of Maryland, Mr. MORSE, Mr. MOSHER, Mr. REID of New York, Mr. ROBISON, Mr. SCHNEEBELI, Mr. SCHWEIKER, Mr. SCHWENGEL, Mr. SHRIVER, Mr. STAFFORD, Mr. STANTON, and Mr. WHALEN):

H. Con. Res. 530. Concurrent resolution to express the sense of Congress that a fight against organized crime is inseparable from efforts to reduce urban poverty; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONABLE:

H.R. 13494. A bill for the relief of Mrs. Emma Ciciotti and Mr. Lino Ciciotti; to the Committee on the Judiciary.

By Mr. RARICK:

H.R. 13495. A bill for the relief of the heirs of Juan Peralta; to the Committee on the Judiciary.

By Mr. ROSENTHAL:

H.R. 13496. A bill for the relief of Mrs. Irma Ruggeri; to the Committee on the Judiciary.

SENATE

THURSDAY, OCTOBER 12, 1967

The Senate met at 12 noon, and was called to order by Hon. HERMAN E. TALMADGE, a Senator from the State of Georgia.

Rev. Edward B. Lewis, pastor, Capitol Hill Methodist Church, Washington, D.C., offered the following prayer:

Dear God, our heavenly Father, whose presence and power is in all the world, and whose guiding spirit is with us in this moment, we beseech Thy favor upon these servants and leaders of the people today. Be with the President, all people in high office and responsible citizens of our Nation and the world.

Grant unto all wisdom and strength to know and do Thy will. Fill us with the love of truth and the desire for right. So rule the hearts of these elected officials that we will see their endeavors prosper in good for all men.

Give us today a new vision of law and order, justice and peace to the honor of the highest concepts of life. We pray in the Master's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., October 12, 1967.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. HERMAN E. TALMADGE, a Senator from the State of Georgia, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. TALMADGE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, October 11, 1967, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Jones, one of his secretaries, and he announced that the President had approved and signed the following acts:

On October 10, 1967:

S. 534. An act for the relief of Setsuko Wilson (nee Hiranaka).

On October 11, 1967:

S. 602. An act to revise and extend the Appalachian Regional Development Act of 1965, and to amend the Public Works and Economic Development Act of 1965; and

S. 1862. An act to amend the authorizing legislation of the Small Business Administration, and for other purposes.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 3973. An act to amend the Healing Arts Practice Act, District of Columbia, 1928, and the act of June 6, 1892, relating to the licensing of dentists in the District of Columbia, to exempt from the licensing requirements of such acts physicians and dentists while performing services in the employ of the District of Columbia; and

H.R. 10509. An act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1968, and for other purposes.

LIMITATION ON STATEMENTS DURING THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on the District of Columbia.